

THE CO-OPERATIVE MOVEMENT IN ITALY

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THE CO-OPERATIVE MOVEMENT IN ITALY

WITH SPECIAL REFERENCE TO
AGRICULTURE, LABOUR AND
PRODUCTION

A SHORT STUDY
BY
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TO
MY FATHER

PREFACE

THE investigation of which most of the results are embodied in this little book was undertaken at the suggestion of Mr. and Mrs. Sidney Webb, who, in their work on the *Consumers' Co-operative Movement* (1921, p. 477), had indicated the need for scientific exploration of some of the forms of co-operative organisation which had attained considerable development in other countries, but were little known to English students of the movement. I hope that the present account of some of the more characteristic sides of the Co-operative movement in Italy will therefore be of interest, and if it is found to fill, at least in some measure, the gap in our literature on this subject, my efforts will have been amply rewarded.

The book is almost entirely descriptive. It has been my aim to record as faithfully and as clearly as possible facts gleaned from many sources, and by the aid of many kind friends in England and abroad. In the following pages these facts speak for themselves.

Although I realise the impossibility of thanking adequately all those who by their interest and assistance have made possible the preparation of this study, I feel that I must place on record my sense of obligation first to Mr. and Mrs. Webb and then to my friend and tutor, Dr. Hugh Dalton, M.P. My task was made easy and pleasant by introductions kindly supplied by Prof. H. J.

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Laski, Mr. H. J. May (Secretary of the International Co-operative Alliance), Mr. Leonard Woolf and Mr. Albert Ball.

At Easter 1923 I spent some weeks at the International Labour Office, Geneva, where, by the courtesy of M. Albert Thomas, Director, and Dr. Fauquet, Head of the Co-operation Department, I was given access to the valuable material on Italian Co-operation collected by the Office. I desire to express my sincere thanks to all the officials of that great organisation, and especially to Captain W. S. Sanders and to Mr. E. J. Phelan, Chief of the Diplomatic Division. I am under a special obligation to Dr. Aillaud, who generously supplied me with a copy of the results of his own investigation into the History of Agricultural Co-operation in Italy, on which, with his kind consent, I have drawn largely.

As I had resided in Italy for two years immediately after the War, this investigation afforded me the occasion for the renewal of many valued friendships. During the tour I made in that country, extending over some eight weeks in the summer of 1923, I was so fortunate as to receive the expert assistance of many new friends—of all parties. I am especially indebted to Signor Antonio Vergriani, President of the Lega Nazionale delle Co-operative, and to his staff, to Ing. Del Bufalo, Director of the National Federation of Productive and Labour Co-operative Societies, to Avvocato Terruzzi, Director of the Istituto Nazionale di Credito per le Cooperative, and to the leaders and officials of the Co-operative movement in all parts of Italy who, without distinction of party, received me with the utmost kindness and spared no pains to ensure that I obtained an exact view of the organisations for which they were responsible.

I have made much use of the recent book entitled *Il Fatto Cooperativo in Italia*, by the ex-Minister Meuccio Ruini. For permission to do this I am grateful to Signor Ruini himself and to his publisher, Signor Nicola Zanichelli of Bologna, in whose series on the "Questioni del Lavoro" the book is No. 2 (lire 8.50, March 1922). I would particularly refer students to this book for an impartial and careful study of the whole movement. I have indicated at the end of this volume a few only of the works in English wherein they will find other references to the subject.

If this modest book has any merits they are due to the kindly help of those I have mentioned above and of many whom I have not mentioned at all. If it contains any errors, whether of observation or of deduction, I alone am responsible.

Finally, I wish to record my gratitude to the Fabian Society, and in particular to the Trustees of the Atkinson Fund, who munificently supplied the financial assistance without which the investigation could not have been undertaken, and which alone has made possible the publication of its results in the present form.

EDWARD ARCHIBALD LLOYD.

December 1924.

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CHAPTER I

ORIGIN AND DEVELOPMENT OF THE MOVEMENT

§ I. EARLY DAYS

To find the first attempts at Co-operation in Italy, we must go back some seventy years—to about the year 1850—to the foundation of the *Associazione Generale degli Operai di Torino* (General Workers' Association, Turin), which afterwards came to occupy one of the chief places in the movement. The year 1854 was marked by what we should now term an extremely high index-figure for the cost of living, and it was to enable the working-classes to seek some relief from the prevailing high prices that in 1854 this society opened supply depots from which the workers might obtain at the lowest possible rates some of the more important necessities of life. It is interesting to notice that the initiators of this plan knew nothing of their famous forerunners in England, the Rochdale Pioneers, who had preceded them by ten years.

In these early attempts to escape the burden imposed upon consumers by middlemen's profits, the railway employees were especially active, and in 1864 their society in Turin had a turn-over of more than one million lire. In 1899 this body joined the older General Workers' Association to form the *Alleanza Torinese* (Turin Alliance), which was, until recently, one of the greatest and most successful examples of Co-operative achievement in the world.

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At Milan, too, the movement was founded by railway-men. On the return of Luigi Buffoli from England, anxious to put into practice the new ideas he had gathered in this country, there was a split which resulted in the parallel development of two bodies—the Suburbana and the Unione Cooperativa. Both these groups attained extraordinary success, and the official return for 1920 shows the latter with annual sales amounting to the gigantic sum of nearly 110 million lire—by far the greatest in Italy and one of the greatest in the world.

§ 2. EXCESSIVE MULTIPLICATION OF SOCIETIES

The Consumers' Co-operative movement spread rapidly over the whole peninsula—in emulation, partly, of the enormous development of the Consumers' movement in England. One of the chief weaknesses of the Italian movement, indeed, lies in the rapid and excessive multiplication of societies having the same aims and, inevitably, competing with one another. This wasteful multiplication has led to internal strife where there should be collaboration, and has resulted in general weakness, many failures and the discouragement of the whole movement. There is doubtless, as has been pointed out by Professor Pantaleoni, such a thing as excessive centralisation; but all Co-operators must realise that the greatest need of Italian Co-operation to-day is a large measure of unification and co-ordination. "The 20,000 Italian Co-operative societies have about the same total membership as the 1500 English Consumers' Co-operative societies with their four million members" (Ruini, article in *International Labour Review*, January 1922). Prof. Gide gives the following order of countries arranged according to the "Index of Co-operation", i.e. the number of members compared with the inhabitants of the country: "Scotland, England, Denmark, Switzerland, Germany, Austria, France, Italy"

(quoted by Ruini in *Il Fatto Cooperativo in Italia*, 1922).

In his investigation into Indian Co-operation in 1922, Mr. C. F. Strickland, I.C.S., indicated disorganisation (with its weak and incomplete federation) and political and religious strife as two of the outstanding features of the Indian movement (*An Introduction to Co-operation in India*, 1922). Political influences, indeed, have played a fatal part in bringing about the tragedy of Italian Co-operation, and to this aspect of the movement we shall have to devote much consideration. But we must return for a moment to note the rise of that form of Co-operation which has been most successful in Italy and which has, indeed, come to be regarded as the characteristic form for that country, attracting thither students from all parts of the world.

§ 3. CONNECTION WITH TRADE UNIONS

It is natural that the Co-operative movement, from its outset, should have been allied with the other great working-class movement—that of the Trade Unions—and that the two should have developed along more or less parallel lines. Agricultural Co-operation, for that is the form of the movement we now have in mind, had its origin, indeed, in the necessity for providing the workers with a means of subsistence during periods of industrial depression and unemployment. This is well illustrated by a brief reference to the first experiment in this direction. In 1883 the society of “braccianti” (manual labourers) of Ravenna was founded by Nullo Baldini (for many years past a member of the Italian Parliament and one of the fathers of the movement). In the following year this society undertook the heavy task of draining the marshes of Ostia and other places in the Campagna district, and then, on the successful conclusion of its contract, the society rented on its own account the

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lands thus reclaimed. Owing chiefly to faulty organisation, however, the enterprise was a failure. "The advances made to the workers exceeded the value of the produce. Hence the society found itself in the greatest financial difficulties and was finally liquidated with the aid of the State, which took over the land and the improvements effected" (from an unpublished study by Signor Aillaud of the International Labour Office, Geneva).

In these early days, indeed, the Co-operative movement found its most fertile soil in the regions which had already been most influenced by Socialist propaganda, notably Ravenna, Reggio Emilia and Bologna, and from these centres the idea spread to other provinces.

§ 4. CLASSIFICATION

These Combined Labour societies were not confined to agriculture, but gave rise, in due course, to Industrial Productive societies which, as we shall see later, engaged with varying success in the most diverse enterprises, from road-making and bridge-building to printing and aeroplane construction, from wood-carving and stone-cutting to drainage construction and shipbuilding, from glass-blowing and tailoring to house-decorating and railway-engineering.

Broadly, the Co-operative movement in Italy may be classified under the following headings: Consumers' societies, Credit societies, Agricultural societies, Labour societies, Industrial Productive societies. As it is the last three of these forms which are the most typical of the Italian movement, we shall devote most of our consideration to their development.

§ 5. FEDERATION

We must now, briefly, trace the growth of the spirit of federation in this interesting social movement. On

the 6th of December 1885 the Archimede Co-operative Society of Milan, celebrating its tenth anniversary, passed a resolution in favour of convening the First Congress of Italian Co-operators. When this Congress met in the following year it was found to represent 201 individual societies, and was attended by 130 delegates. The importance of the occasion was further marked by the presence of the English pioneers, Holyoake and Vansittart-Neale.

The 1st of January 1887 saw the appearance of the first number of *La Cooperazione* under the editorship of Carlo Romussi, while the second Congress (Milan), on the 6th of November 1887, following the dictate of its predecessor, took action which resulted in the constitution of the Federazione delle Cooperative Italiane (Federation of Italian Co-operative Societies). At the fifth Congress, held at Sampierdarena, near Genoa, on the 21st of May 1893, the constitution of the federal organ was modified and its name was changed to the Lega Nazionale delle Co-operative (National League of Co-operative Societies). Until after the War this League was the centre of the whole Co-operative movement of the country, and if it were not for those political influences, to which we have already had to refer and whose unhappy results we shall see later, there is little doubt that this National League would still be the sole and authoritative representative of the Co-operative movement throughout the country. The League retained its unique position for a quarter of a century, and the development of the movement during that time is reflected in the figures of the growth of the League. (It should be noted that the following table refers only to Co-operative societies, or local groups and provincial federations, which paid their contributions direct to the League. As many individual societies were affiliated through their local federations, it is calculated that the total number of societies was at least the double of the figures here given.)

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Year.	Societies directly affiliated.		
1886	68
1896	229
1906	1280
1916	2189
1918	2321
1920	3840
1921	4302

The Italian Ministry of Labour, as the result of an incomplete investigation, gives the following figures as to the number of Co-operative societies legally constituted and actually in existence on 31st March 1921:

Consumers' societies	6,481
Productive and Labour societies	7,643
Credit societies	1,534
Assurance societies	133
Mixed and various societies	1,480
Societies under law of 17/19	2,239
<hr/>	
Total	19,510

In 1921 the total membership of the societies affiliated to the National League was 1,050,000, and their total turn-over amounted to no less than 2500 million lire. The figures for 1922 are as follows:

Societies affiliated	8,000
Members	2,000,000
Capital	600,000,000 lire
• Turn-over	1,500,000,000 „

The 8000 societies were thus classified:

Consumers' societies	3600
Labour and Productive societies	2700
Agricultural societies	700
Various	1000

The almost total destruction of the existing Co-operative organisation, as the result of the political troubles which led to the assumption of power by the Fascist party, is evidenced by the figures supplied by the National League for 1923:

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Societies affiliated	.	.	.	2,300
Members	.	.	.	600,000
Turn-over	.	.	.	800,000,000 lire.

Of the six thousand societies and a million and a half members, which were lost by the National League in consequence of Fascist activities, not all were absorbed by the new Fascist organisations, for the estimated figures for the whole Italian movement in 1923, prepared for the International Exhibition at Ghent last summer (1924), give only one million members as the national total for the 14,000 societies of all parties. The national turn-over of the whole movement for 1923 is calculated at 1500 million lire, *i.e.* about £15,000,000. Without at this point attempting to weigh the rights and wrongs of the war so bitterly waged against the original (Socialist) Co-operative organisation, we may point out that the completeness of the debacle is witnessed by the fact that the National League, for so long the sole representative of the whole Italian movement, can now speak for only one-sixth of the existing societies.

CHAPTER II

CO-OPERATIVE LABOUR SOCIETIES

THE Consumers' societies and the Credit societies developed along lines which were parallel to those followed in other countries, and we shall probably find it more interesting to proceed at once to consider the growth of the more peculiarly Italian forms of the movement.

§ I. EXTENT OF MOVEMENT

Before the outbreak of the War, Co-operative Labour societies had spread to all parts of the country. The earliest of these bodies were formed, as we have already said, on the banks of the Po, by groups of "braccianti" (manual labourers), and their development was continuous for half a century. At one time there appear to have been as many as 8000 of such societies actively engaged in carrying out huge contracts for the construction of roads, bridges, harbours, drainage schemes and public works of all descriptions. Before the War the figures published by the Ministry of Public Works showed that 15 per cent of the contracts of this department were carried out by Co-operative societies. In some districts in Northern Italy, indeed, the Co-operative societies were responsible for 85 per cent (Ravenna) or 90 per cent (Ferrara) of the public works executed, while in Emilia during the ten years before the War the Co-operative Labour societies enjoyed a virtual monopoly of such contracts. The

economist Boccardo had described this side of the movement as "a leap in the dark" and foretold its absolute failure, for, said he, "to believe that the working-classes, with the elements of which they are composed, not only in Italy but throughout the world, are capable of carrying out great public works, demanding the continuous and intelligent action of a single powerful directive force, is but an illusion and a Utopia". This melancholy prophecy seems to be amply disproved by the most casual examination of the great enterprises of this nature which have been achieved by Co-operative labour under the devoted guidance of technicians and organisers who have, in many cases, sacrificed brilliant prospects of personal advancement in order to stand by the workers inspired by the ideal of mutual assistance.

§ 2. SOME ACHIEVEMENTS

Let us recall only a few of the great achievements of Co-operative Labour societies which the present writer had the pleasure of visiting in 1923. At Milan he saw great printing works managed by Co-operators, and whole streets of magnificent houses built by Co-operators. At Rome he followed for miles the vast drainage system lately completed by Co-operators and visited the extensive garden suburb, complete with its church, almost the whole of which has been constructed by Co-operative societies. At Bologna he admired the magnificent constructive work which has resulted in one of the finest pieces of bridge-building in Italy. At Florence the visitor is impressed by the monumental nature of the work being accomplished by Co-operative labour in the building of the National Library. At Ravenna the work which has been done in draining and preparing agricultural land is almost incredible. In Venice one is amazed at the artistry of Co-operative wood-carvers and mosaic-workers. At Turin there are schools, palaces and cemeteries all built by

Co-operative labour. The traveller who goes from Reggio Emilia to Ciano does so on a railway constructed, owned and managed entirely by Co-operative societies. So we might go on almost indefinitely enumerating the achievements of Co-operative Labour societies, but let us now rather turn to examine the attitude adopted by the Government and its officials towards these bodies.

§ 3. GOVERNMENT SUPPORT

Successive governments encouraged the movement from its earliest days—at first chiefly, as the ex-Prime Minister Giolitti has said, because it afforded a means of studying the question on practical ground. The aim of the first Co-operative Labour societies was of course to eliminate the sub-contractor by entering into direct relations with the State or public department, and at first the groups of labourers formed for this purpose enjoyed no legal status. The requests of these bodies of workers that they might be entrusted with works of levelling and irrigation aroused the interest of statesmen of all parties—notably Luzzati, Padolini, Gamba—and in 1889 legislation was passed (based on the French Acts of 1848 and 1888) to enable Co-operative societies to contract with the State up to a limit of 20,000 lire. Giolitti later extended the limit to 100,000 lire, at the same time adding the further concession that such contracts might be made by private treaty (thus avoiding public competition with private contractors), and exempting the Co-operative society from the necessity of depositing a guarantee (the latter being replaced by successive deductions from the *pro rata* payments made to the society in accordance with the progress of the work). Later, all restrictions as to the amount of the contracts which might be undertaken by Co-operative societies were removed. In attempting to deal with the problem of seasonal unemployment before the War the State departments made

large use of these Co-operative societies by drawing up a programme of public works to be executed each year. These works were in large measure entrusted to the Co-operative Labour societies. In 1919 the Government made a grant of 1500 million lire to relieve unemployment, and of this the greater part was expended in payments to such societies for work of reconstruction.

§ 4. ESTIMATES OF SUCCESS

The success of these Co-operative Labour societies has been variously estimated. In 1907 the Minister Gianturco asked Signor Meuccio Ruini to make an official inquiry, and the following passages from his report are of interest: "It may now be stated that the system of giving contracts to Co-operative societies has, on the whole, given good results. . . . There now exist societies capable of doing good work and, comparing the results of their contracts with those entrusted to private undertakings, it appears that the proportion of work not perfectly carried out as against that completed with full satisfaction is no higher in the case of Co-operative bodies than the proportion of work badly done as against that well done in the case of professional contractors. . . . There are Co-operative societies able to carry out the most difficult tasks. . . . The Co-operative societies do not, usually, employ a longer time in carrying out public works than do private companies: on the contrary, in Romagna they complete the work more quickly as they control a greater supply of labour. . . . The advantage which public departments most appreciate in employing Co-operative societies is the absence of litigation . . . they ordinarily favour arbitration. In normal times contracts given to Co-operative societies enjoy greater security that their terms will be observed. It has been said that contracts given to Co-operative societies cost proportionately more than those given to private under-

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takings. At first, when the Co-operative societies had not become strong, there were greater uncertainties, waste, expense, difficulties in securing supplies of materials and credit. Credit especially is a bigger problem for these societies than for private firms. The expenses of administration and personal expenses show a continuous tendency to increase in these societies, and certainly show no economy in comparison with similar expenses, on a lower scale, borne by private contractors. When, however, the Co-operative society is a well-developed one, supplied with the necessary means and having a stable and tried organisation, many of these causes of greater expense, compared with private undertakings, disappear. . . . The Co-operative societies can guarantee tranquillity and security in the carrying out of work. They serve as an insurance against strikes." (Quoted in *Il Fatto Cooperativo in Italia*, Ruini, 1922.)

The Budget Committee, too, has repeatedly borne witness to the satisfactory manner in which the Co-operative societies have executed their contracts. In 1909 this Committee reported as follows: "It is reasonable to hope that an ever-increasing number of contracts will be given to the Co-operative societies, for this will be to the greatest advantage of the State and also of the workers, for, whereas in contracts with Co-operative societies, the Department has frequently had occasion to comment on the rarity of disputes, on the other hand, unfortunately, the private contractors for State works have shown a regrettable fertility (and this does not apply to the minority only of them) in creating disagreements".

It must, however, be admitted that many of the Co-operative Labour societies are very weak and badly organised bodies, and there is a constant mortality amongst societies of this description. Of late years there has been a marked tendency to fusion and organisation on a federal basis. This tendency towards centralisation, however,

has been limited and arrested by political and religious divisions.

§ 5. A TYPICAL CONSTITUTION

Public contracts on a large scale are usually undertaken by a national, or at least a provincial, federation which can command the necessary funds and credit and supply technical advisers and costly machinery. This federation then proceeds to allot shares in the work to the individual societies of which it is made up. Frequently these societies are responsible for different trades and crafts. The *Consorzio Ligure delle Cooperative di Produzione e Lavoro*, to give but one example, consists of the following individual societies: marble-workers, electrical-workers, carpenters, boiler-makers, stone-masons, metal-workers, etc.

The internal structure of such a federation is of interest, and we therefore give at length what may be considered a typical example.

The following is the outline of the Constitution devised for the *Federazione Italiana Consorzi e Cooperative Edili* (Italian Federation of Building Co-operative Societies), which has its headquarters at Turin. This Federation was founded by Felice Quaglino in 1921, during which year its turn-over, according to the International Labour Office Directory for 1923, was no less than 8,320,000 lire. The skeleton structure is as follows: (i.) Individual local societies, (ii.) Regional Federations (*consorzi*), (iii.) the National Union (*Federazione*).

(i.) *Constitution of the Individual Local Co-operative Societies*.—The capital consists of an unlimited number of shares of the value of 50 lire each (payable at the rate of 1 lira per week). No member may hold shares to a value greater than 5000 lire. There is a reserve fund and special funds for professional instruction, insurance, etc. Membership is open (in this case) to all workers of

whatever grade (provided they are also members of the corresponding Trade Union). Each member's liability is limited to the value of his share-holding. The society is administered by a Board of from five to eleven members, whose responsibility is limited to that prescribed by the Commercial Code and from whom no special deposit is required as guarantee. The Board annually elects its president and vice-president and nominates the secretary and treasurer. The president is the legal representative and attorney of the society. As regards the undertaking of contracts and the technical direction of the works carried out, the society is subject to the Regional Consorzio. The technical director is nominated by and is responsible to the Regional Consorzio, but is also responsible to the society (through its Board). The division of profits is effected thus: 40 per cent is at the disposal of the Board for distribution amongst the workers in proportion to the work actually done by each, and also for the assistance of members in general. The remaining 60 per cent is placed to the Reserve Fund and must be invested in the Regional Consorzio (or, in its absence, in the National Federazione).

(ii.) *Constitution of the Regional Consorzio.*—The Consorzio shall have a duration of fifteen years, but this period may be extended. The purpose of the Consorzio is the undertaking of works of construction, embankments and improvements for and on behalf of the federated societies. Each society, on admission to the Consorzio, will hand over to the latter two-tenths of the sums received from its own members as share-capital, each society's liability being limited to the amount of shares thus subscribed. The shares are of 100 lire each, and each member-society must take at least one share for each 100 of its own members and (as stated in the preceding paragraph) must invest 60 per cent of its profits each year in the shares of the Consorzio. No society may be

represented on the Consorzio by more than five members as delegates. The capital of the Consorzio may be increased by the member-societies taking up further shares in the Consorzio, by the institution of Reserve Funds and of Provident Funds, etc. The profits shall be thus distributed: 50 per cent at most may be paid to the capital subscribed by the member-societies as a maximum dividend of 5 per cent on their capital invested in the Consorzio. Of the remaining 50 per cent, an amount equal to 25 per cent is handed to the National Federation so as to form a fund intended exclusively for purchases necessary to the development of the Federation and for the financing of works undertaken by the Federation or federated bodies. The remaining 25 per cent is transferred to the Reserve. The Board of Directors of the Consorzio consists of seven members chosen from the delegates of member-societies. Its duties are (*a*) to assist the member-societies in obtaining contracts for work and in securing the necessary supplies and technical direction; (*b*) to engage and dismiss the technical director (subject to the approval of the National Federation), the managers of the member-societies, inspectors, clerks and workmen, etc., according to the exigencies of the works and services; (*c*) to draw up the internal regulations of the Consorzio; (*d*) to prepare an annual balance-sheet; (*e*) to undertake and conclude contracts for work; (*f*) to purchase the necessary apparatus, tools, materials, etc., for the undertakings of the Consorzio itself and of its member-societies; (*g*) to arrange loans and conduct financial operations in the interest of the Consorzio and for the conduct of the works undertaken; (*h*) to nominate procurators and carry out in general the instructions of the Consorzio. The technical director need not be a member of either the Consorzio or one of the member-societies. He may be aided by one or more inspectors or assistants appointed by the Board of Directors. Where necessary a Technical Committee may be appointed, consisting of

three members (one of whom may be chosen from outside the federated bodies). The powers of such a Technical Committee are consultative only. All workmen employed in carrying out work undertaken by the Consorzio must be members of the federated societies. In exceptional cases, however, auxiliary labour may be engaged, subject to Article 47 of the (Government) Regulations for Co-operative Societies, dated 12th February 1911. The Consorzio has the right to inspect the member-societies so as to guarantee that the accounting and administration are in order.

(iii.) *Constitution of the (National) Federazione Italiana dei Consorzi e delle Cooperative Edili.*—The National Federation shall have a duration of ten years. It shall be a member of the Lega Nazionale delle Cooperative (Milan) and of the Federazione Nazionale delle Cooperative di Produzione e Lavoro (Rome). The objects of the National Federation are as follows: (a) To co-ordinate and control the Regional Consorzi and the individual societies in their work of construction, etc., and to assist them financially; (b) to undertake constructional work directly, especially large-scale contracts affecting several regions, to carry them out either through the Regional Consorzi or federated societies, or directly where no Regional Consorzio or local society exists, or is still in process of formation; (c) to work quarries, kilns and workshops for handling stone, metal and other materials for the building industry; (d) to prepare schemes, plans and proposals for road and railway work, etc.; (e) to provide Provident Funds, etc., for the workers. The shares in this National Federation are of 100 lire each, and every member-body must subscribe at least one share for every 1000 lire or fraction thereof of its own share-capital. Every member-body must hand over to the National Federation each year at least 25 per cent of the net profit shown in its own balance-sheet. The capital of the National Federation is derived from the

shares taken up by the Regional Consorzi and Co-operative societies mentioned above. At least three-tenths of the subscribed capital must be fully paid-up at the time the Federazione is constituted. The capital of the National Federation may be increased by the member-bodies taking up further shares and by new bodies joining, by the formation of Reserve Funds, and by payments received from member-bodies (as above) in respect of 25 per cent of their annual profits, which shall be devoted exclusively to the formation of a fund intended for the purchases necessary to the development of the Federazione and the financing of the work undertaken by the Federazione and the federated bodies. The capital may be further increased by the starting of Provident Funds. The profits of the National Federation are distributed as follows: 50 per cent for social purposes and for the assistance of the workers, the remaining 50 per cent to the Reserve. The Board of Directors consists of nine, eleven or fifteen members chosen from the delegates of the federated bodies. It (*a*) assists and regulates the federated bodies, co-ordinates their work and may inspect them; (*b*) considers and provides for other federal objects; (*c*) draws up internal regulations; (*d*) draws up the annual balance-sheet; (*e*) provides for the purchase of buildings, machines and, in general, instruments, tools and materials on its own behalf and for the federated bodies; (*f*) undertakes loans, mortgages and other operations on its own behalf or for the federated bodies in the interest of the regular execution of work undertaken; (*g*) names procurators and sees to the fulfilment of contracts made by the Federazione; (*h*) unconditionally administers all the business of the Federazione; (*i*) appoints, suspends and dismisses staff; (*j*) decides other questions not expressly reserved by the constitution for the General Meeting. The rules regarding the Technical Directors, Technical Committee, etc., of the National Federation are the same as the

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corresponding ones for the Regional Consorzi quoted above.

§ 6. THE NATIONAL FEDERATION OF PRODUCTIVE AND LABOUR CO-OPERATIVE SOCIETIES

We have already seen that the individual Co-operative societies for production and labour are federated in provincial, inter-provincial and regional organisations. The year 1919 saw the completion of the next stage in the national structure, for on the 16th January in that year there was legally constituted the National Federation of Productive and Labour Co-operative societies, with headquarters in Rome. This body, in turn, was originally federated with the National League of Co-operative societies. The regularity and comprehensiveness of the structure would thus have been perfect if it had not been for those unfortunate political and religious influences which have so nearly proved fatal to the whole movement. Their effect is seen, here again, in the foundation in 1921 of a separate federal system for the Catholic Co-operative Labour societies under the name of the "National Union of Productive and Labour Co-operative Societies", which, according to the *International Labour Directory* for 1923, had a membership of 984 societies with 49,360 individual members, and a turn-over for 1921 of 138 million lire. We shall have occasion to refer more fully later on to the Catholic organisation, but throughout the remainder of this section we are concerned solely with the older body, Socialist in origin, whose Italian name, "Federazione Nazionale delle Cooperative di Produzione e Lavoro", we have translated as our present title.

The President of this federal organ was, until July 1923, that Nullo Baldini to whom we have referred elsewhere as one of the fathers of Italian Co-operation; it was he, indeed, who led the first pioneers in the formation of societies of "braccianti" (manual labourers) on the

banks of the Po. His whole life has been devoted to the development of the Co-operative movement and to the furtherance of its interests in Parliament and in the country at large. During the recent political troubles he stuck to his post to the last, being indeed, as we were informed, marched at the point of the revolver from his desk in the Ravenna Co-operative offices at the very moment when the fine old building was being set on fire.

The Director of the National Federation is Ing. Edmondo del Bufalo, a man whose technical culture and selfless devotion are recognised by all parties. He is not at all a politician; his whole soul is in his work for the Co-operative movement, and he is regarded with almost filial affection by the hundreds of workers whose guide and counsellor he is. A day spent in his company, visiting some of the societies in Rome and the surrounding district, was a revelation of the vastness of the debt such a body as a Co-operative society can owe to one sincerely devoted personality. As we think of Edmondo del Bufalo we cannot help remembering a remark made to us, in quite another connection, some weeks before we met him: "Whenever you find a thoroughly satisfactory Co-operative organisation, you will find that it is really the result of one strong, capable, guiding spirit".

The bodies which formed the nucleus of the National Federation of Productive and Labour Co-operative societies included the following, to some of which we have already referred and to others of which we shall return later: Federation of Co-operative Labour and Production societies of the province of Naples; the similar federations of the provinces of Milan, Bologna, Pavia, Ferrara and Ravenna; the Builders' Co-operative society of Turin, etc. These were later joined by other similar bodies, notably the Consorzio Ligure of Genoa and the important Florence Federation.

The main object of the National Federation was, at

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its foundation, stated as follows: "To assume works of national character and importance and assign them to the appropriate federated bodies, to which the technical and administrative direction will be entrusted, the Federation reserving to itself the superior function of control and general direction".

The National Federation has also undertaken certain contracts directly on its own account—chiefly in connection with the construction of the Garden City of Aniene, near Rome. It possesses its own brick-kilns and executed works to the value of over five million lire for reconstruction in Tuscany and Romagna after an earthquake. The *Almanacco dei Cooperatori* (Co-operators' Almanac) for 1922 says of the National Federation: "It is the only national organisation which is founded upon true Co-operative organisms of long standing, having to their credit the execution of very important works and comprising the absolute majority of the mass of workers co-operatively organised. . . . The National Federation also provides technical and administrative guidance for its federated members, and looks after the relationships between them and the central (Government) administrations at Rome, supplying protection and assistance. It took part in the formation of a Co-operative body for the disposal of the residue of war-material, and also in the constitution of the organisation for public works in the southern provinces. It promotes and participates in the initiation of enterprises of a general nature, in conjunction with other national organisations, and also those concerned with agriculture and consumption, as, for example, the attempt to find a solution of the problem of social insurance which should be advantageous to the Co-operative societies, and it has also been active in the direction of securing a supply of raw materials, etc."

The National Federation of Productive and Labour Co-operative societies held its first National Convention in Rome, 18th-20th June 1922. There were present the

representatives of 993 separate federations and individual Co-operative societies with a total of over 100,000 members. Although some account of the proceedings of this important Convention has already been made available to English readers in Odon Por's recently published work *Guilds and Co-operatives in Italy* (1923), the issues discussed were of such general interest that we think it well to deal with them in some detail.

In his opening address, Antonio Vergnanini, president of the National League of Co-operative societies, made it clear that one of the main objects of the Congress was to demand of the Government that, in the legislative and economic spheres, it should more faithfully perform its duty of applying the existing laws relating to Co-operation. Subsequent speakers showed that while, in some respects, there was urgent need of new legislation in favour of the activities of Co-operative societies, there was even more imperative need that they should not continue to suffer from the obstinate refusal to apply that part of the Commercial Code which already dealt with such activities. We cannot help noticing that the President himself, no less clearly than several later speakers, laid down the practical identity of Co-operation as they understood it and Socialism as interpreted by the Italian Parliamentary Socialist party.

Perhaps the most important feature of the Convention was the report of the Director of the National Federation, the Ing. Edmondo del Bufalo. We venture to translate several passages which we think of special interest:

"Our Labour Co-operation does not find its counterpart in any other country. It represents the perfected product of the sole raw material which we have in abundance—the strength of labour. It was born of struggle, and it is inevitable that through struggle, through obstacles and sacrifices, it must grow and strengthen itself.

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“ Every one knows that our Co-operation arose from time to time for various causes: to overcome the consequences of strikes in defence of the mass of workers and their leaders, who would have been victimised by their masters; to mitigate normal unemployment, which was ever being made worse by employers and wealthy landowners who abandoned work which did not yield an immediate return, so as to weaken the position of the workers when they made their just demands for wages; to eliminate the usurious middleman, who, under various forms, was the servant of individual speculation; to take the place of lazy and conscienceless landowners who allowed to lie waste vast areas of land which, when developed under a system of collective leases, became fruitful. The first agricultural enterprises under a truly Co-operative form were indeed started in order to give work to the unemployed by training them for agricultural work, and then distributing the product to them. The first societies or squads of manual labourers arose in Romagna and Emilia where, by undertaking contracts directly, they were able to free themselves from the middlemen and exploiters of the labourer and, by taking up collective leases, were able to lessen unemployment, at the same time transforming uncultivated wastes into flourishing areas. Later there arose in great numbers the first Productive Co-operative societies, such as those of Sanpièrdarena, amongst many others, to alleviate the consequences of unsuccessful strikes. . . . These first Co-operative societies served as examples, and gave encouragement for the formation of others and, through defeats and victories, assistance and opposition, they grew to a state of perfection. From simple work on the land they passed on to undertake building work, from that of the simplest nature to that demanding the highest technical skill, and they excelled even in the fields of art and industry. They soon felt the need of uniting themselves in organisms of the second grade, that is to say, in

local federations of Co-operative societies which the law of 1911 recognised and regularised. These federations acquired so great a technical and administrative competence and organisation that they were able to compete successfully with the best and most experienced private undertakings. Their work was so highly appreciated by the public and private administrations that, especially in some regions, they succeeded in ousting completely the private contractors.

“ . . . The two Governments in power after the War made regulations in favour of the Co-operative societies one of the chief planks in their programmes and, together with those who were in dread of a Bolshevik revolution, said that Co-operation was the form of activity of the immediate future, and they surrounded the movement with flattery and promises—which they kept no better than their promises of the land for the people, which they made when the peasants were in the trenches. . . .

“ Unfortunately many false Co-operators, ex-middlemen and ex-private-contractors swarmed around this movement, and immediately after the War new Co-operative societies teemed in thousands upon thousands, and, instead of attaching themselves to the experienced organisations already existing, they were swept into the various currents of politics, and there arose such a medley, such a confusion, such a mass of scandals, as to justify in many cases those enemies of the movement who accused it of incompetence.

“ . . . But the leaders of our institutions, on the other hand, being experienced Co-operators, requested no legislation of favouritism or protection, because they knew that this serves only to cultivate an artificial form of Co-operation, the prey of sharpers, a form of Co-operation full of defects and so weak as to fall away before the first difficulties. The Federation, we repeat, boasts of the fact that it draws its strength

from those societies which have as much as forty years of life, and which have reached their present position by sacrifices and efforts such as alone can guarantee vitality and such as cannot be destroyed by the fiercest attacks. . . .

"We can prove that those working-men Co-operators, who at this moment are being attacked, beaten, robbed of the fruit of their labour, are the same who, braving malignant fevers, won back land from the marshes, who, even in the most difficult period of the War and the post-War times, have presented thousands of acres to the nation. They are the same men who have built schools, made roadways, they are those who, even against the opposition of the very owners, have re-covered with vines areas devastated by phylloxera. They are the men who, with energy and faith more than patriotic, have, as a unique example to the world, blotted out in a brief space of time the destruction of war and barbarism in our devastated regions. They are those who, by enormous sacrifices and their own effort, have purchased barren and often uncultivated lands and have made them fertile, while many wealthy landowners and farmers have been mouthing the formulæ of 'patriotism'. Such are the facts."

§ 7. A REPLY TO CRITICISMS

Signor del Bufalo then replies to critics such as Prof. Pantaleoni and Dr. Preziosi, who have called the Co-operative societies the "Octopus of the State", accusing them of misappropriating State funds—chiefly through the agency of the Istituto Nazionale di Credito per la Cooperazione (State Bank for Co-operation), which was founded with a capital of 300 million lire provided by the Treasury. He says, "Whose were the contributions which built up this fund, if not those of the workers with the product of their labour? Are not these millions

taken from the common fund from which the State has provided thousands of millions for private industry? If for the numerous company of Co-operative societies 300 millions have been set apart, this sum represents only a tiny part of their contributions to the common fund. No one ever troubles to remember that to counterbalance these 300 millions advanced by the Treasury (to the State Bank) at 4 per cent, on which the Co-operative societies pay 8 per cent, there are at least as many millions owing by the State for work carried out by the Co-operative societies according to their audited accounts."

He proceeds to demonstrate that the favours received by the Co-operative societies, a main feature in the attack upon them, are in large measure illusory. The provision, for example, in virtue of which such societies are exempted from registration charges and stamp duties provided they are less than five years old and have a capital of less than 30 thousand lire, is of no advantage to the vast majority of the societies, as they have nearly all been in existence for more than five years.

The provision, too, by which Co-operative societies are relieved of the necessity of making the statutory deposit demanded of private contractors, and are allowed to replace it by deductions from the payment for each stage of the work completed, is claimed to be of little practical value—as is evidenced by the fact that the majority of the great Co-operative societies prefer to make the deposit in Treasury bonds or share certificates, on which the interest continues to accrue, whereas they would lose all interest on money held back from the payments.

The law by which Co-operative societies may take up contracts by private treaty, instead of by public tender, often, says Signor del Bufalo, operates to their disadvantage, for private contractors know well when a public contract is unlikely to be highly profitable, and in

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such cases they make no tenders, and the work is then given by private treaty to the Co-operative societies, who are not so concerned with making profits as with finding work for their members.

It is commonly stated that the prices charged by Co-operative societies are higher than those of private undertakings. As we have dealt with this point elsewhere in the present study, we shall here do no more than repeat the example given by Ing. del Bufalo. Immediately after the War certain public works at Leghorn were entrusted to one of the most reputable private firms, whose payment was to be in the form of a certain percentage of the total cost of the work. It was found that the cost of excavations worked out at 165 lire per cubic metre, and, in explanation of this high charge, it was stated to be due to the lack of discipline and the Bolshevik tendencies of the labourers. In a subsequent contract the National Federation tendered successfully against the same private undertaking and, thanks to its good organisation and the disciplined nature of its (Co-operative) workers, effected the excavations at a charge of 7 lire per cubic metre!

"Whilst our institutions, when they have entered into a contract, are ambitious to carry it out well and quickly, to derive from it an honest profit and, above all, to bring added credit to their good name, many (private) undertakings normally are concerned only with seeing by what technical, legal, or extra-legal means (more or less honest) they may increase their profit and multiply it without limit."

"It could be shown ever more clearly both by argument and by facts that our institutions are, with regard both to the State and to the masses, much more beneficial than private undertakings."

Ing. del Bufalo sums up the remarkable achievements of the Co-operative Labour and Productive societies in the following terms: "Imagine the vision of strength we

shall present when, united in one single family, in one formidable organisation, we shall be able to show that just as the State and other public bodies have works to be performed in every region, so every district has its Co-operative society ready and able to undertake the execution of these works, either by their own means or by associating themselves with other similar organisations, having at their disposal all the necessary technical and administrative means and able, under better and more peaceful conditions than any private undertaking, to provide the country with communications, public buildings, schools, agricultural plant, able, in short, to contribute in larger and better measure than any others to the greater wealth of the nation. . . . There is not a branch of production which has not been undertaken by our organisations—from the simple construction of canals to the most difficult bridge-building, from workers' dwellings to the most artistically sumptuous palaces, from the humblest to the most complicated of tools, from the objects in common use to those instinct with the most exquisite artistic feeling."

Finally, Signor del Bufalo outlined the functions of the National Federation: "Seeing the great number of societies which are still being formed, the Federation will perform the important task of regulating the territorial limits of activity of the affiliated Co-operative bodies, for these, owing to the prevailing unemployment afflicting the working-classes, are being impelled to undertake contracts in districts where there are already sister-organisations. . . . Such possible disadvantages will be overcome when the Federation can assist by itself contracting, on behalf of its affiliated members, for all work of a certain importance, and then allotting it, according to their needs, amongst its members, reserving to itself the general direction and supreme control. . . . The direct intervention of our Federation ought to take place when it is a case of undertaking and executing great works

which interest and may occupy several organisations affected by unemployment, or works in regions where there is no Co-operative society organised or where the society has only recently been founded. In such cases the Federation can assist and organise the initial activities."

The report concluded by sketching the activities which the Federation proposed to undertake in the immediate future, for example, the organisation of a Commercial Section for joint buying and selling on behalf of all the affiliated bodies, the facilitation of exchanges of machines, tools and apparatus, the supply of costly equipment which would be beyond the means of individual societies, the publication of a bulletin giving information of offers of and demands for machinery, etc., the elimination of competition between the federated bodies and work of the nature of general propaganda.

It is interesting to notice that Signor del Bufalo reported that in certain regions there was a distinct tendency towards the association for certain purposes of all Co-operative organisations, irrespective of their religious or political colour. This tendency, as we shall see later, reached its greatest development in the Workers' Guild of Florence, but unfortunately it had started too late to avert the catastrophe that overwhelmed the whole movement during the ensuing months.

§ 8. DEFECTS ACKNOWLEDGED

More than one speaker in the ensuing discussion referred to the growth of spurious Co-operative societies, and the suggestion was made that the best way to overcome this dangerous tendency was to throw down absolutely all those barriers which had produced certain "closed" societies and open the movement to all workers until, in fact, it was co-extensive with the whole Trade Union and Labour movement. The reader will re-

member that in the case of the National Federation of Builders' Operatives, whose constitution we have already outlined, it is intended that all members of the Guild thus formed should also be members of the relative Trade Union and *vice versa*.

One of the weaknesses of the Italian Co-operative movement, to which we have already referred, was indicated by Signor Giacometti in these terms: "After the War the masses of workers rushed with great enthusiasm to Co-operation, and we made the mistake of permitting the creation of too many Co-operative societies, subordinating our heritage of ideals to the exigencies of the moment. . . . It is necessary that there should be, in each province, few societies, but they should really represent the well-organised mass of workers."

Signor Belevli stated so clearly some of the chief defects of Producers' Co-operation—defects, it is to be feared, not peculiar to Italy—that we feel we cannot close this section of our study without venturing to translate them: "There are too many Co-operative societies in Italy and too many people who call themselves Co-operators. If the Trade Unions to increase their efficiency require quantity, Co-operation demands quality—moral and technical quality. As to the correct observance of our contracts no one in Italy can reprove us. The Co-operative movement has brilliantly demonstrated its honesty through twenty years of labour to the value of hundreds of millions of lire. But we are reproved, and sometimes justly, because work executed by Co-operative societies costs more. Is it not time to see whether this occurs through lack of discipline in the workshops or whether even, through not taking individual values into account, we have allowed the simple idea of equality of wages to become rooted in the masses? We have many workers who fulfil their duty diligently, but there are others who, indeed, in General Meetings shout for the 'eight-hour

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working-day, increase of wages', etc., but then go to work five minutes late, work without will, spend their time reading the newspapers and will not submit to any discipline. We must tell such workers in the clearest terms that they have not the right to exploit the Co-operative movement and their fellow-workers. We must establish the rule that each workman must be regarded as worth what he produces. Justice compels us to lay down the minimum earnings, but for the man who knows more and gives more to the society there must be a greater reward. If our more intelligent comrades will carry out this work of propaganda, Co-operation will no longer be considered, as it now is by certain workmen, as a milch-cow to be drained dry, but as an institution to which each must bring his contribution, receiving a reward proportional to his ability and activity. Otherwise we shall encourage societies of vagabonds, who will weaken and discourage even those who were inspired by a profound faith and a spirit of sacrifice."

This warning was repeated by Signor Quaglino, one of the foremost leaders of the Builders' Guild movement, who said, "If our workers have one defect it is that under the lash and the threats of the capitalist speculator they produce more, whilst under the fraternal treatment of Co-operation they produce less".

§ 9. RESULTS OF POLITICAL STRUGGLE

Soon after this Convention the National Federation found itself, against the will of its directors, involved in the struggle between Fascisti and Socialists.

The political troubles which led to the assumption of power by the Fascist party, and the hostility to Socialist organisations which continued after that event, resulted in a crisis for the National Federation of Productive and Labour Co-operative societies. Those who had built up the Federation and had watched over the first four years

of its work were, in fact, faced with the clear alternatives of either liquidating the whole organisation or else "reconstructing" it in such a way that it would meet with the approval of the Fascist leaders. The meeting which was called to make the fateful decision was adjourned and, on 10th July 1923, the Committee appointed by the General Meeting reported as follows (we quote directly from the *Rassegna Mensile della Cooperazione*, the official organ of the National Institution for Credit for Co-operative societies—the State Bank for Co-operation, at that time, of course, in Fascist hands):

"The Committee asserts the necessity that the Federation, in view of the important objects for which it exists, should not be put into liquidation."

The new aims and scope of the organisation, adopted in order to win the approval of the Fascist party for its continued existence, are thus stated:

"The Committee is of opinion that, in view of the results already achieved and in consideration of the principal objects of the Federation, it is desirable to liquidate the present organisation entirely and to lay down the following principal objectives for its future activities:

"1. The assistance of its own federated societies, expanding and improving the appropriate department already existing by adding to it the direct representatives of those local federations which, having a considerable amount of business at the capital, feel the need for such a centre, thus constituting a true and fitting general representative of the Co-operative movement in its dealings with Government departments in Rome.

"2. The governing of regional work and the regulation of the intervention of its own federated societies in those districts where Co-operative organisations do not exist and where there is work to be done, choosing for the purpose those societies which are in the greatest need

of work and which are best adapted to carrying out the contracts in question.

“ 3. The formation of a Syndicate for the study and undertaking of great public works, assigning them to the federated organisations in collaboration, if necessary, with private undertakings, or forming special bodies *ad hoc* where the importance of the work renders this step necessary. As a general rule the Federation ought not to undertake contracts on its own account.

“ The Report of the Committee was approved by the General Meeting almost unanimously, and the appointment of officers was proceeded with as follows.”

Then follows a list of the new officials. Nullo Baldini was removed from the Presidency and his place was filled by the On. Giuseppe Bottai, who is of course a member of the Fascist party. Thanks to the fact that he has always abstained from mixing himself in political controversies, Signor del Bufalo was retained in office as Director. In view of his technical eminence and the devotion he has shown to the Federation from its earliest days, this must be a cause for great satisfaction. Nullo Baldini, the founder and first President, was appointed as one of five auditors! In the words of the official report he “ announced his non-acceptance of the office ”.

The last sentence of the report is the crux of the whole matter: “ The Federation joined the *Sindacato Italiano delle Cooperative* ” (the National Fascist organisation).

Thus, only by going over to the Fascist camp, by disowning its President and founder, by throwing open its painfully-built-up structure to the young and rival Fascist societies (clause 1 above), and by completely changing its allegiance did the National Federation purchase the right to live and to continue its great work. In taking this step it was doing what societies of every category and degree of importance were finding themselves compelled to do by the force of the circumstances of the moment.

§ 10. REGIONAL FEDERATIONS

We shall now endeavour to trace the development of three of the principal regional federations of Labour and Productive societies which formed part of the original National Federation—the Federations having their respective centres at Milan, Genoa and Florence, and, after a briefer reference to some others, we shall deal with a few individual societies.

(a) *The Milanese Federation of Productive and Labour Co-operative Societies*

In the year 1903, under the auspices of the Milan Trades Council, a small group of Socialists and friends of the Labour movement founded a modest organisation with the object of assisting in any way possible the various branches of the movement. Soon afterwards about half a dozen Co-operative societies applied to this young body for help in organising their book-keeping, all of them being recently formed. Soon, with the financial assistance of the great Milanese society known as the Umanitaria, this new enterprise was able to add to its function of advising in matters of accountancy that of facilitating the obtaining of financial credit by the young but growing societies which invoked its aid. Not only was it able to smooth their path in their negotiations with the bankers, but it started itself a fund for small loans. The next development was the creation of a Commercial Information Bureau, followed shortly by the starting of a School of Accountancy for Co-operators.

The successes thus early won soon led to the starting of many new Co-operative societies, under the shelter and with the guidance of this central body. In this way, prudently and step by step, was built up one of the finest local Co-operative organisations in the whole of Italy. One of the first cares of the Federation was to group all the various little Co-operative societies engaged in the

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building and ancillary trades and then to undertake contracts in the name of all, distributing to each its proper share. Of themselves these individual societies would certainly have been unable to compete with any hope of success against the great capitalist contractors.

The little fund for small loans soon developed into an important section for assistance and credit, with a capital of 30,000 lire.

The attempt to develop a third section dealing with rural and agricultural Co-operation was unsuccessful, and was abandoned.

In 1904, that is, a year from the inception of the scheme, the Federation included twenty-four individual Co-operative Labour and Productive societies, with a total membership of over 5000 and an annual turn-over of about 7 million lire.

An important part of the early work of the Federation was the drawing up of model regulations for its affiliated societies, the institution of a school of Co-operative administration and the making of arrangements for the joint administration of some of the smaller societies.

On 4th March 1906 the Milanese Federation of Productive and Labour Co-operative societies was legally registered according to the Commercial Code, its objects being laid down as follows:

(a) To establish and carry on on behalf of the affiliated societies and, in certain cases, on its own behalf, workshops for the production of industrial articles and warehouses for collective purchases of articles and raw materials.

(b) To undertake on behalf of the affiliated societies, and in certain cases on its own behalf, public and private contracts for the construction and maintenance of roads and railways, drainage, embankments, excavations, the work of the building and allied trades, and further to undertake not only the construction but also the management of such works.

(c) To manage (on behalf, etc.) rustic property, especially that belonging to the State, Provinces, Communes and Charitable Organisations.

(d) To facilitate the means of credit for the affiliated societies in connection with the industries carried on by them.

These objects are to be understood as including:

(i.) The co-ordination of all the workers' forces in Co-operative societies for Production and Labour, and the spreading of the principles of co-operation among all classes and trades.

(ii.) The provision of such Technical and Accounting organs as may be required by the societies.

(iii.) The promotion of mutual interchange and purchase of individual products among the associated societies and federations which already exist.

(iv.) The assistance of the National League of Co-operative societies in its work of propaganda on behalf of the Co-operative movement, and the promotion of legislation in favour of the working classes.

(v.) The support of the candidatures of administrators and members in the elections of magistrates and members of the chambers of commerce.

The avowed object of the founders of this Federation was to include amongst their members the whole class of workers, thus avoiding the defects and especially the static outlook of the mediæval closed corporations and guilds.

All the members of the affiliated societies must be *bona fide* workers at their respective trades; all profits must be exclusively devoted to social purposes (provident funds, etc.) or to the increase of reserve funds, and, in the execution of all work, the wages paid must be those laid down for the district or recognised by the respective Trade Unions.

Each member-society has to take one share (value 100 lire) in the Federation for each hundred members.

The financial year closes at the 30th June, and the balance sheet must be audited by the 31st July. The profits made by the Federation are thus allotted: interest on capital is first paid at the rate of $3\frac{1}{2}$ per cent. Of the remainder, 20 per cent goes to the Reserve Fund, 10 per cent is divided among the members of the Board of

Directors—usually in proportion to their attendances at meetings of the Board—70 per cent is allocated by the General Meeting of members on the motion of the Directors for the following purposes: share-out among the workers (whether members or auxiliary) in proportion to work done by each; addition to the Reserve Fund; insurance funds; provident funds; organisation of workers.

The General Meeting is attended by one representative from each society for each hundred members.

Ordinary General Meetings are held once a year. Extraordinary Meetings can be called at any time by the Board of Directors, the Auditors, or one-third of the members.

Each society nominates one of its officers as a member of the Central Committee of the Federation. This Committee advises on the admission or exclusion of societies, prepares programmes of action and propaganda, deals with claims concerning the functioning of the Federation. The President of the Board of Directors is *ex officio* President of the Central Committee, and one-third of its members retire each year. The Committee meets once a month, or more frequently if necessary.

The Board of Directors of the Federation is composed of seven members elected by the General Meeting. One-third retire each year. The Board elects its own President and Secretary (the latter need not be a member of any of the associated societies). The special functions of the Board are as follows: the drawing up of contracts; the appointment and suspension of the necessary staff; the preparation of internal regulations, balance sheets and reports of the Federation.

The five auditors (three of whom act at one time) need not be members of any of the associated societies.

How far the Federation has achieved its aims may be judged from the following tables.

(i.) *Distribution of Profits* (from the balance sheet of 30th June 1914).

The profits in that year, amounting to Lire 30,030.72, were distributed as follows:

3.5% on paid-up capital . . .	Lire 291.90
20% to the Reserve Fund . . .	Lire 5,947.76
10% at disposal of Board of Directors . . .	„ 2,973.88
70% at disposal of General Meeting . . .	„ 20,817.18

The General Meeting allocated the last item given above as follows:

Lire 3000 to the local Trades Council.

„ 500 to the Confederation of Labour (T.U.C.).

„ 700 to the School of Building.

„ 1000 to the Building Committee of the Province.

„ 1000 to the Federation of Consumers' Co-operative societies for the institution of five awards to be made to Consumers' Co-operative societies recognising the criterion of unification and amalgamating with other Co-operative societies.

„ 6000 to the Trade Unions corresponding to the federated Co-operative societies to start an unemployment fund.

„ 8617.18 for the development and extension of the technical and administrative services undertaken by the Federation for the benefit of the federated Co-operative societies.

One of the most beneficial activities of the Federation, especially in its early years, was the way in which it watched over the administration of the smaller Co-operative societies, providing advisers, accountants and auditors at a very little expense. Without this aid many of these societies must undoubtedly have failed, for they would have been compelled to leave these important matters to some member, with more willingness perhaps than technical knowledge, who would have done the work to the best of his ability in such time as he could spare from his daily work.

That the Federation was effective in its approaches to public and other authorities in order to obtain contracts for its affiliated societies, is evidenced by the following statement of the work for public bodies carried out during the first five years of the existence of the Federation:

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Contracting Body.	Value of Work done.
Umanitaria Society . . .	Lire 1,324,502.96
Commune of Milan . . .	„ 6,328,893.22
Congregation of Charity . . .	„ 5,805.40
Orphanage . . .	„ 47,839.68
General hospital . . .	„ 136,896.74
Communes of Forensi . . .	„ 1,308.30
Province . . .	„ 9,426.88
Lunatic asylum . . .	„ 10,149.06
Clinical institutions . . .	„ 5,619.29
Workmen's dwellings . . .	„ 1,057,671.00
State railways . . .	„ 388,624.57
State telephones . . .	„ 5,939.21
State telegraphs . . .	„ 465.00
St. Anne's Hospital . . .	„ 543.00
<hr/>	
Total . . .	Lire 9,323,684.31

The War, naturally, had a great effect on the Federation. Many of its projects had to be suspended, several of the weaker societies were dissolved, but those that remained were drawn closer together. By mutual aid and with the support of the Co-operative banks and of the municipal authorities, the financial crisis was successfully overcome. The Federation fulfilled several important contracts for the construction of roads and the digging of trenches in the War-area. Owing to the absence of foreign competition some of the associated societies received a great impetus. Members' wages were increased by a bonus proportionate to the rise in the cost of living, and grants were generously made to all members of the societies called up for military service.

Among the many social activities initiated by the Federation, one of the most interesting is the institution of a Dormitory at Milan where, for the modest sum of about 1½d. per night, members of the affiliated societies working in Milan may secure clean and healthy sleeping quarters. Another of the enterprises of the Federation, the unique institution known as the "Gioiosa", is so remarkable that we have given a detailed description of it in our chapter entitled "Co-operation and Education".

We append tables outlining the development of some of the federated societies, and we have further traced the histories of some of them in the chapter devoted to societies for Industrial Production.

(b) *The Ligurian Regional Federation of Producers' and Labour Co-operative Societies*

(*Consorzio Ligure delle Cooperative di Produzione e Lavoro*)

The year 1907 marks the beginning of the rise to importance of the Producers' Co-operative movement in Genoa and the surrounding region. Until that date there had been no attempt at a central organisation for the few weak and isolated societies scattered through the district. To a large extent, indeed, these little societies were absolutely unknown to one another. There was little or no attempt at propaganda or education in co-operative principles and to the majority of these isolated autonomous bodies might well be applied the words of Anseele, the great Belgian Co-operator: "To work for masters is difficult but, for many workers, to work without masters is still more difficult: and this is what we must teach our workers: to work without masters! This is one of the causes for which Co-operative societies for production fail in many trades, and we must teach our labouring classes to be masters of themselves, to work freely in partnership without any authority being imposed upon their own will. I say that the following things are necessary: order in industry, order in the workshop and discipline in work. The workers must realise that it is their duty to set up collective production for the benefit of collectivity".

The development of the young producers' movement in the Genoa region was carefully fostered by the local Trades Council (*Camera del Lavoro*) to whom the directors of the Producers' Federation pay this tribute:

MILANESE FEDERATION OF PRODUCTIVE

VARIATIONS IN CAPITAL (Italian

Society.	1906.	1907.	1908.	1909.	1910.
Walking-stick makers	1,296.27	1,364.27	1,520.58	2,035.08	2,035.08
Ironworkers	1,840.30	2,596.45	5,615.70	5,615.70	6,947.68
Gilders and varnishers	1,004.00	4,398.94	8,912.33	11,346.02	13,828.29
Marble-workers	4,971.85	6,434.57	7,506.49	7,482.49	7,482.49
Musocco builders	788.07	909.35	2,025.75	6,135.78	5,778.37
Iron furniture makers	5,182.49	5,633.85	8,264.35	13,300.88	17,600.33
Plasterers	1,542.81	2,617.81	8,391.73	10,156.83	13,013.03
Milan tailors	3,287.03	7,693.03	9,578.71	9,578.71	10,205.17
Shoemakers	2,565.83	2,918.68	6,158.59	8,201.16	8,917.55
Basketmakers . . . . .	..	1,908.00	..	2,082.76	2,436.03
Paviors . . . . .	..	..	3,439.00	3,430.77	6,029.56
Paperhangers . . . . .	..	..	..	1,880.00	3,101.22
Lake Maggiore stonemasons . . . .	..	..	..	6,378.47	6,735.89
Quinto Romano . . . . .	..	..	..	..	..
Goldbeaters . . . . .	..	..	..	..	..
Plasterers and cement workers . . .	11,831.89	13,301.52	15,010.68	17,338.76	20,187.25
Working printers	45,548.56	57,459.59	62,081.72	75,967.09	89,289.41
Taxi-cabs . . . . .	..	..	..	..	..
Federal bookbinders	4,152.81	6,960.35	8,049.60	10,310.79	11,858.04
Glove dyers and tanners . . . . .	..	..	..	..	..
Milan builders	205,157.61	210,086.13	212,249.51	216,751.03	225,372.11
Niguarda builders . . . . .	..	..	..	..	..
Outside porters . . . . .	..	..	..	..	..
File-polishers . . . . .	..	57,960.03	58,811.58	62,480.18	63,398.46
Printing foundry	12,596.08	13,917.79	14,941.28	16,344.45	16,977.67
Cabmen . . . . .	..	..	..	4,250.00	6,505.23
Total	301,765.60	396,160.36	432,557.60	491,067.05	357,698.86

AND LABOUR CO-OPERATIVE SOCIETIES

(Lire) from 1906 to 1918

1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.
2,105.08	2,105.08	2,232.97	2,375.52	2,869.29	3,487.80	4,890.50	10,562.25
6,947.68	22,253.14	6,658.16	..	..	6,758.66	7,052.36	7,114.36
18,576.38	..	26,268.13	25,848.04	28,326.81	29,598.71	29,514.71	30,104.07
7,432.49	7,485.49	7,460.49	7,410.49	7,410.49	7,410.49	7,648.09	8,316.00
5,785.62	2,380.55	1,876.83	1,942.04	2,270.67	2,260.14	2,401.80	2,456.94
21,254.05	24,247.05	19,882.55	18,631.28	19,145.53	21,936.01	25,961.28	38,495.34
16,835.66	23,341.86	26,354.74	28,313.77	30,960.58	31,464.54	32,219.82	33,102.68
11,111.97	11,998.95	12,694.13	13,508.32	14,874.32	14,941.14	16,374.98	21,952.64
9,133.05	9,179.41	9,373.67	9,294.32	9,329.77	8,804.79	9,232.83	9,877.43
2,798.62	3,255.72	4,843.97	5,751.92	6,084.32	6,927.55	8,408.33	9,603.88
14,292.50	15,396.46	15,823.49	15,153.70	15,674.90	23,556.62	29,397.73	35,156.19
4,503.83	6,045.40	8,190.20	10,387.06	12,034.11	16,115.85	20,372.94	22,460.68
7,528.22	8,004.94	..	..	5,071.26	4,563.79	4,563.79	4,563.19
..	1,100.00	1,175.00	1,460.29	1,333.09	2,976.80	2,761.55	2,978.44
..	..	..	4,702.42	4,947.30	6,260.97	9,291.38	10,969.32
22,993.87	25,110.27	26,729.21	27,244.28	27,140.28	27,365.98	28,551.75	29,611.85
98,083.41	107,173.62	120,779.38	129,058.89	139,878.89	123,387.15	136,162.51	138,586.94
..	..	..	..	..	49,200.00	49,540.11	49,367.90
11,876.09	15,086.43	16,436.00	17,504.22	17,576.17	..	33,000.00	33,000.00
..	..	..	..	..	..	..	4,025.00
233,020.83	243,831.80	258,692.92	241,261.69	300,843.80	330,708.79	355,745.80	375,571.05
783.27	1,134.87	7,262.43	10,410.43	11,178.96	12,232.67	15,755.52	27,950.91
7,956.00	10,219.93	11,558.20	12,007.24	11,389.59	10,731.67	10,076.67	9,735.15
62,933.53	62,516.38	62,058.48	65,037.12	64,740.95	65,205.13	66,137.21	94,878.88
18,052.35	18,867.94	19,591.01	20,566.21	21,515.68	20,350.13	19,772.93	19,947.49
7,336.02	3,612.95	3,956.49	3,299.81	3,796.75	4,471.45	3,748.45	3,417.10
591,340.52	671,979.57	669,898.45	711,168.86	758,394.51	830,616.83	928,583.04	1,033,806.38

42 CO-OPERATIVE MOVEMENT IN ITALY

CO-OPERATIVE LABOUR SOCIETIES 43

MILANESE FEDERATION OF PRODUCTIVE

AND LABOUR CO-OPERATIVE SOCIETIES

VALUE OF WORK EXECUTED (i

Italian Lire) from 1906 to 1918

Society.	1906.	1907.	1908.	1909.	1910.	1911.
Walking-stick makers .	7,994.59	13,183.40	14,162.98	19,501.01	15,118.57	30,889.76
Ironworkers . . .	30,059.99	86,417.97	38,389.74	..	..	..
Gilders and varnishers .	3,962.57	26,990.38	66,962.30	106,194.40	149,646.39	148,071.11
Marble-workers . . .	168,782.83	157,406.91	187,235.11	126,592.45	104,973.62	146,221.50
Musocco builders . . .	6,824.24	10,766.98	25,565.34	133,154.50	111,537.60	121,964.67
Iron furniture makers .	20,084.48	32,006.99	203,463.67	222,609.90	275,859.98	260,881.15
Plasterers . . .	38,258.03	32,950.84	53,054.46	99,673.52	111,036.72	156,433.89
Milan tailors . . .	32,888.69	88,623.96	42,424.35	32,535.46	32,656.35	34,055.05
Shoemakers . . .	8,231.45	63,992.52	67,274.07	85,380.33	85,004.49	100,336.26
Basketmakers . . .	..	23,690.75	..	26,448.80	32,956.59	55,420.82
Paviors . . .	..	..	85,475.55	87,529.19	91,123.48	53,436.43
Paperhangers . . .	..	..	..	11,917.82	34,067.55	50,134.80
Lake Maggiore stonemasons	..	..	..	38,346.76	42,373.66	33,417.97
Quinto Romano . . .	..	..	..	..	..	..
Goldbeaters . . .	..	..	..	..	..	..
Plasterers and cement workers	201,733.01	221,476.66	285,866.96	336,642.50	333,248.53	295,894.42
Working printers . . .	210,662.95	201,783.35	243,607.90	221,922.15	210,207.33	210,394.35
Taxi-cabs . . .	..	..	..	..	..	..
Federal bookbinders .	10,627.69	12,609.70	17,700.15	32,544.24	59,168.24	77,119.08
Glove dyers and tanners .	..	..	..	..	..	..
Milan builders . . .	1,351,178.70	1,029,742.49	1,254,790.86	1,364,452.97	1,271,040.70	1,385,249.43
Niguarda builders . . .	..	..	..	..	..	35,410.00
Outside porters . . .	..	..	..	..	..	287,129.23
File-polishers . . .	..	175,316.61	208,851.55	248,802.04	232,742.44	223,810.30
Printing foundry . . .	57,085.61	75,812.30	76,199.75	95,291.32	115,800.85	128,182.58
Cabmen . . .	..	..	..	22,791.00	34,729.20	38,126.18
Total . . .	2,148,374.83	2,252,771.81	2,870,924.74	3,312,330.36	3,343,292.29	3,872,578.98

1912.	1913.	1914.	1915.	1916.	1917.	1918.	Total.
37,999.04	37,562.86	45,024.05	52,207.67	73,145.10	157,667.00	226,373.45	730,821.48
..	..	..	..	..	..	..	154,867.70
122,036.99	127,933.21	176,177.69	143,182.68	110,280.66	144,500.45	202,250.38	1,528,189.21
127,514.65	123,143.69	117,624.91	50,496.52	40,306.48	46,650.16	60,798.09	1,457,746.92
282,928.85	82,500.28	105,871.88	71,685.17	102,402.25	29,901.49	107,350.59	1,192,453.84
226,894.92	193,684.18	177,378.45	234,303.15	284,280.22	284,700.80	361,854.05	2,778,001.94
140,387.46	123,199.22	162,936.44	109,015.89	100,275.70	114,934.51	148,013.95	1,390,170.63
35,974.67	149,851.21	235,722.49	1,123,331.33	447,175.54	246,334.64	220,034.62	2,771,608.36
108,916.36	83,818.62	58,557.72	72,440.96	45,978.74	43,078.26	74,098.38	897,108.16
48,631.33	60,519.83	74,903.10	57,390.60	69,545.71	89,851.50	121,380.15	660,739.18
10,230.30	3,087.74	6,793.43	132,446.37	120,317.08	185,584.05	230,580.33	1,006,603.95
87,618.38	103,743.56	89,506.51	82,962.19	78,203.54	67,074.32	71,159.84	676,388.51
27,518.77	temporarily left Federation	20,428.67	7,736.38	721.92	217.90	170,762.03	170,762.03
39,870.22	29,724.92	48,632.23	46,716.18	3,669.87	930.80	539.70	170,083.92
..	..	87,171.63	110,879.02	131,062.35	121,831.15	178,785.65	629,729.80
268,939.82	212,975.27	211,655.58	128,914.09	98,730.55	112,316.82	107,789.99	2,816,184.20
209,840.55	217,114.50	194,514.47	158,370.00	258,675.00	297,376.00	546,323.50	3,180,792.05
..	..	..	..	9,690.00	47,859.95	73,730.05	131,280.00
77,251.57	70,797.04	72,638.42	51,864.88	..	31,275.64	72,597.44	586,194.09
..	..	..	..	..	..	56,594.48	56,594.48
985,404.53	858,522.24	707,257.44	867,641.88	1,232,401.94	833,995.21	818,437.56	13,960,015.95
69,561.98	6,180.33	48,075.41	31,509.83	326,530.98	143,200.70	42,714.34	703,183.57
580,418.19	573,046.04	478,787.04	309,874.80	312,221.03	321,634.99	388,087.72	3,251,199.04
219,267.54	243,644.47	237,157.65	235,259.52	372,441.80	589,618.43	1,015,172.88	4,002,085.23
118,987.00	104,356.66	89,172.57	51,542.65	86,281.10	84,537.90	103,538.48	1,186,788.77
39,273.21	38,537.08	43,015.85	38,993.20	41,236.53	47,089.30	65,289.85	409,081.40
3,865,458.33	3,443,942.95	3,468,574.96	4,231,457.25	4,352,588.55	4,042,665.99	5,293,713.37	46,498,674.41

MILANESE FEDERATION OF PRODUCTIVE AND LABOUR CO-OPERATIVE SOCIETIES

ANNUAL WAGES BILLS in Italian Lire) from 1906 to 1918

Society.	1906.	1907.	1908.	1909.	1910.	1911.	1912.	1913.	1914.	1915.	1916.	1917.	1918.	Total.
Walking-stick makers .	6,881.15	7,140.75	7,449.10	7,060.05	7,241.00	13,90 0	14,038.00	13,012.55	12,798.40	15,817.05	16,784.15	31,119.05	37,587.40	190,829.75
Ironworkers . . .	23,849.68	27,206.45	32,711.40	..	..	..	..	..	..	..	..	..	..	83,767.53
Gilders and Varnishers .	3,165.06	11,592.90	32,010.97	50,860.15	66,000.15	70,96 1	58,290.98	67,105.27	77,424.82	59,318.39	50,197.00	54,946.69	69,186.91	671,068.50
Marble-workers . . .	52,682.10	54,588.70	71,646.26	48,176.25	41,516.68	56,24 0	44,468.15	38,052.45	36,675.35	24,019.60	17,170.30	19,670.01	23,913.59	528,827.74
Musocco builders . . .	2,866.64	5,814.95	18,897.60	74,241.25	66,740.88	24,05 5	41,608.40	26,182.65	30,303.20	28,709.30	30,755.70	26,736.80	55,891.05	432,800.27
Iron furniture makers .	16,262.40	25,759.05	50,498.40	67,259.95	82,438.97	77,72 5	69,828.04	49,561.95	51,956.85	49,680.40	38,736.00	47,751.65	43,118.20	670,576.41
Plasterers . . .	32,233.67	27,748.36	46,175.17	65,295.35	67,438.45	94,32 4	87,158.10	79,636.20	91,901.85	77,844.17	60,290.44	66,788.80	77,172.35	874,007.25
Milan tailors . . .	26,433.07	31,734.97	8,121.28	14,347.96	15,301.29	14,64 1	15,871.30	35,266.55	45,822.05	626,857.75	155,000.00	31,669.20	45,578.35	1,066,650.68
Shoemakers . . .	6,693.85	23,671.72	26,237.18	34,952.55	37,757.87	37,87 0	37,265.18	29,279.89	20,951.50	24,911.71	17,658.01	14,121.33	21,419.19	332,797.78
Basketmakers . . .	..	9,700.72	..	12,997.55	16,222.41	22,56 3	24,435.22	26,548.20	32,807.96	24,769.97	23,952.92	37,134.48	43,916.95	284,151.11
Paviors . . .	..	..	60,893.33	56,285.60	61,677.40	27,65 5	1,037.30	2,353.46	2,535.07	62,382.77	47,428.10	72,335.75	105,882.30	500,470.53
Paperhangers . . .	..	..	..	4,230.40	10,336.76	16,49 6	31,101.31	37,388.15	37,067.80	32,907.53	27,035.50	22,964.87	29,504.05	249,031.73
Lake Maggiore stonemasons	..	..	..	18,539.56	23,682.02	24,43 5	19,793.90	..	..	15,192.24	2,195.76	..	..	103,836.73
Quinto Romano . . .	..	..	..	..	..	..	13,739.25	17,151.81	11,325.52	14,083.45	1,890.95	..	..	58,190.98
Goldbeaters . . .	..	..	..	..	..	..	..	..	17,193.20	18,408.39	23,843.96	19,089.60	20,710.99	99,246.14
Plasterers and cement workers	85,734.18	91,818.71	123,162.10	154,903.83	160,437.85	143,60 3	129,826.27	103,186.02	95,102.20	43,613.85	32,583.05	36,950.45	37,978.15	1,238,901.19
Working printers . . .	72,066.15	79,820.85	89,880.15	95,382.65	102,058.00	105,12 0	104,970.20	108,386.95	102,526.35	75,421.45	74,844.55	87,849.25	114,137.10	1,212,468.85
Taxi-cabs . . .	..	..	..	..	..	..	..	..	..	..	833.40	2,938.25	13,965.55	17,737.20
Federal bookbinders .	8,231.10	9,385.10	12,339.05	19,467.35	33,294.10	37,97 0	36,831.60	40,386.25	38,661.45	32,382.65	..	15,698.85	31,623.50	316,274.00
Glove dyers and tanners .	..	..	..	..	..	..	..	..	..	..	..	..	29,621.15	29,621.15
Milan builders . . .	534,190.19	362,531.50	437,433.52	468,207.11	455,197.02	486,00 3	342,768.98	312,708.83	265,147.22	342,722.76	375,406.04	306,753.96	265,896.53	4,954,968.39
Niguarda builders . . .	..	..	..	..	..	34,774 3	12,107.05	2,025.85	8,931.60	5,220.85	45,944.80	24,792.65	9,729.90	143,526.70
Outside porters . . .	..	..	..	..	..	265,580 3	533,452.20	537,766.25	448,215.35	287,150.15	289,535.80	286,865.55	342,535.00	2,991,100.53
File-polishers . . .	..	83,844.05	..	109,721.85	109,532.95	105,670 3	102,443.80	98,004.60	98,467.50	111,578.45	105,000.00	198,348.65	305,265.40	1,427,877.25
Printing foundry . . .	17,253.70	21,000.40	24,582.85	28,952.20	31,499.10	36,148 3	42,009.20	41,415.55	38,887.85	30,298.05	27,573.20	30,900.95	26,603.15	397,124.55
Cabmen . . .	..	..	..	2,752.80	5,113.50	5,976 3	5,456.70	6,354.00	19,076.60	17,918.15	17,917.75	20,094.85	23,565.50	124,226.25
Total . . .	888,542.94	873,359.18	1,042,038.36	1,333,634.41	1,393,486.40	1,701,753 3	1,768,501.13	1,671,773.43	1,583,779.69	2,021,209.08	1,492,577.38	1,455,521.64	1,773,902.26	19,000,079.19

46 CO-OPERATIVE MOVEMENT IN ITALY

“The Trades Council of Genoa and Sampierdarena, which is, so to speak, the ‘mother institution’ of our labouring classes, groups under its wing several thousands of workers organised in Trade Unions, Co-operative Societies and Benefit Societies. It does not confine its efforts to the direct conflict with capitalism, but it looks after the workers in many other directions such as the provision of legal advice, the improvement of sanitary conditions, the organisation of its own labour exchange, the assisting of insurance schemes, the spread of popular culture, etc. To the Trades Council must be ascribed the merit of having first awakened the conscience of the labouring classes, urging them to struggle for their rights. Its life is a life of warfare, upon which victory has smiled. After combating political reaction and winning—definitely and for the whole Italian proletariat—the right to organise, the Trades Council of Genoa and Sampierdarena was able to realise noteworthy benefits, both material and moral, for the workers. It has brought a new spirit into public life and has exerted its influence upon even its most bitter adversaries so that it constitutes to-day an institution which, to use an historic phrase, is ‘not only respected but even feared’.”

Consumers’ Co-operation, too, has attained a high degree of development in Genoa and district. As long ago as 1915 there were two bodies, the Consumers’ Co-operative Consortium of Genoa and the Avanti Co-operative Alliance of Sampierdarena, with an annual turn-over running into several million lire. In that year the Consumers’ Consortium had a great central warehouse and fifteen branches scattered throughout the city. It also owned a great popular restaurant. The “Avanti” Co-operative Alliance had twenty branches in the district round Genoa and also worked its own factory for producing macaroni and other pastes, and a bakery capable of doing a turn-over of more than a million lire a year.

Even the shortest summary of the Co-operative

movement in the Genoa region must make mention of one other factor which has exerted a great and beneficent effect on every aspect of the workers' lives—the great daily newspaper, *Il Lavoro*, which from the early years of the present century has struggled, with ever greater influence, for the elevation of the proletariat and which has now won for itself a place in the front rank of Italian journalism. Its struggles, however, are not yet over, for, as we write these lines, we read that this paper has received a first warning that its comments are viewed with disfavour by Signor Mussolini's government. In the case of other newspapers this has been the prelude to enforced suspension. Doubtless it will be so in this case if the counsels of the local Fascist agitators prevail, for their hostility to the paper was shown a year ago, when the present writer was in Genoa and had brought to his notice several cases of the paper being snatched from readers' hands in tram-cars and public places and trampled upon by young hot-heads with Fascist sympathies.

As we shall see presently, the difficulty of obtaining large credits for the purchase of materials and the payment of wages was one of the chief difficulties confronting the Producers' Co-operative societies in Genoa as elsewhere. This was overcome to a very considerable extent by the foundation of the Banca Ligure, which made the societies largely independent of the private banks in capitalist hands.

The whole life of Genoa, the "mouth of Italy", centres round the port, and it is natural that, right from the outset, some of the chief societies should be concerned with such businesses as the loading and discharging of coal, shipbuilding, boilermaking. Building is another principal activity of these societies, and the organisation was soon so complete that the whole process, from the cutting of the foundations to the furnishing of the completed house, could be effectively carried out by the associated societies without external assistance. In the words of the Regional Federation: "The Builders'

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Co-operative Society functions perfectly, both from the technical and from the administrative point of view, and it has been responsible for many vast, substantial erections in the new Genoa. When the skeleton of the house is complete there is a need for those categories of workers who shall carry it to completion, finish it in all its details and adorn it with all that is included in modern 'comfort'. Here, then, are other legions of workers, the Co-operative society of wood-floorers, that of the marble-workers and the wood-workers who make furniture famous for its elegance and solidity and supply all that is necessary, from stout doors to elegant brackets; and then the metal-workers, the brass-workers, the gas-fitters, the varnishers, the gilders, the electrical workers who complete, so to speak, the nervous system of the house, bringing to it, by means of their fine network of metal, the mysterious fluid which gives light, heat and energy."

Excellent work, on a large as well as on a small scale has, moreover, been done by the Printers' Co-operative society.

In 1907, as we have said, the first attempt at co-ordination led to the formation of the "Federation of Co-operative societies", its object being stated as "the bringing to life of new Labour Co-operative societies and the strengthening of those already in existence by means of the employment of labour on a large scale and the taking up of important contracts, especially for building". The first contracts secured by the new organisation were those for the upkeep of the buildings of the Military Engineers and the construction of arcades in the main street of Genoa. These contracts were satisfactorily completed, but only after extraordinary struggles on the part of the young and still weak organisation, and, as the little group of Co-operative societies was joined by new recruits, other important contracts were undertaken, such as the erection of an orphanage at Pegli, schools at Teglia and La Certosa, a customs office at Cornigliano and the extension

of the cemeteries of the Angeli and the Castagna in Sampierdarena. A large contract for the erection of workers' dwellings made with the local authorities marked the definite emergence of the Federation from the experimental stage (1910).

When we consider the hostility of private contractors against which the young Federation had to wage constant warfare, the mistrust of the merchants from whom supplies were drawn and who were very loth to give credit to the new organisations and supplied them only on the most onerous terms, the lack of support from private bankers and the other difficulties which were all triumphantly overcome by the Federation, we feel bound to admire those few leaders, almost all workers with their own hands, who conceived, built up and directed the organisation with such remarkable success, and at the cost of enormous personal sacrifice.

It was not until 1911 that the Federation sought official legal recognition, which carried with it notable advantages. This recognition was finally accorded by royal decree on 18th April 1912, and almost immediately afterwards the Federation, whose name was at the same time changed to "Consorzio Ligure delle Cooperative di Produzione e Lavoro" undertook the enormous contract for the construction of a great Hospital at S. Martino d'Albaro, amounting in all to over five million lire. Other large contracts assumed by the Consorzio were: the reconstruction of the Piazza Tommaseo (a large public square in Genoa) (45,000 lire), the enlarging of schools (126,000 lire), construction of workmen's dwellings (1½ million lire), bridge-building (46,000 lire), etc.

The following table showing the number of individual societies belonging to the Federation and the capital of the latter is evidence of the development of the organisation. It must be pointed out that there is one important respect in which this Federation differs from most others of a similar nature, *e.g.* the Milanese Federation described

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in the preceding section. The statute of the Genovese Federation establishes the *unlimited* several and collective responsibility of all the federated bodies with regard to the operations of the Federation. The capital of the central body is therefore very small. For purposes of comparison we give also the combined capital of the member-societies—which, in virtue of this provision, may be regarded practically as the capital of the Federation.

Year.	No. of Societies.	Capital of Federation.	Total Capital of Societies.
		Lire.	Lire.
1911	7	10,680	...
1912	13	20,980	...
1913	16	68,799	...
1914	...	81,576	587,521
1919	18	202,987	2,125,425
1920	19	201,060	2,724,934
1921	21	606,342	5,339,966
1922	16	606,442	...

The same development may be traced in the following table which shows for certain years the value of the work executed directly by the Federation, the profit made by the Federation and the Wages Bill (total) of the individual societies together with the total profits earned by these societies.

Year.	Value of Work done by Federation.	Profit of Federation.	Societies' Wages Bill.	Societies' Profits.
	Lire.	Lire.	Lire.	Lire.
1912	2,063,379	133,667	...	...
1913	2,190,223	152,341	...	...
1914	2,438,954	138,645	7,955,374	344,888
1919	3,217,501	65,814	23,488,973	506,203
1920	7,829,565	185,807	67,058,859	711,151
1921	12,045,708	105,898	59,400,382	302,823
1922	8,269,498	(Loss) 84,220	...	...

Although the individual societies preserve their full autonomy, the relationship between them and the central Federation is a very close one. The central organisation takes upon itself the duty of seeing that the constitution of its members is in accordance with the provisions of the laws governing such societies. It carefully considers all requests for membership, and grants them only when the society in question is a genuine workers' Co-operative organisation. The annual reports show that it was frequently necessary to reject applications for membership made by spurious or irregularly constituted societies. The Federation exercises a close surveillance over the administrative and technical side of all its members' activities, and is careful to ensure that none other than Co-operative labour is employed except in cases of absolute necessity. The distribution of the profits made by the Federation is governed by the law of the land and by its own statute, as we show below, but, in so far as choice is allowed, the Annual Meeting has always made generous donations to educational and social objects such as the Popular University, Popular Libraries, Mutual Aid societies, etc. The Federation established in 1913 a department for inspection and accountancy, whose services are at the disposal of the societies for a nominal fee. This department conducts audits and advises member-societies and, in some cases, undertakes all the book-keeping. One of the great difficulties encountered by the Federation arises from the long delays that almost always occur between the completion of their contracts and the receipt of payment from State and municipal departments. This leads to large-scale borrowing in order to meet current liabilities and to finance new work, with the accompanying high charges for interest. A study of the balance sheets for several years shows the following large sums outstanding for work actually completed:

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				Lire.
1912	.	.	.	102,402
1913	.	.	.	548,189
1914	.	.	.	657,994
1919	.	.	.	1,333,816
1920	.	.	.	4,992,422
1921	.	.	.	8,967,904
1922	.	.	.	10,542,299

In the last of the above years, to give but one example, it was necessary to borrow the huge sum of over 13 million lire ($2\frac{3}{4}$ million from the State Bank for Co-operation, and $10\frac{1}{4}$ million from the Banca Ligure) in order to finance the works undertaken by the Federation, and when we remember that the total capital of the Federation in that year was only 606,442 lire and the total paid-up capital of the constituent societies only about 5 million lire, we realise the difficulties under which the organisation was working.

In 1921 the Federation founded a department for federal insurance for the benefit of the member-societies, so as to free them from the tribute paid to capitalistic insurance societies.

The interest on borrowed money in 1921 amounted to no less than 800,000 lire (equivalent to 7 per cent on the value of the work executed).

The statute of this Federation contains the following interesting provisions:

The object of the Federation is to assume in competition, by public tender or by private treaty, contracts with public bodies: for example, the construction of roads and railways, building in general, the discharging and shipping of merchandise and coal, the building, repair, demolition and upkeep of ships,—all this to be done by means of the associated bodies of workmen belonging to the federated co-operative societies, and in accordance with the provisions of Law No. 422 of the 25th June 1909.

(b) To set up and carry on workshops for the manufacture of industrial products, and warehouses for collective purchases of goods and raw materials needed by the federated societies.

ART. 3. The co-operative societies admitted to membership of the Federation, in so far as concerns the activity of the Federation, are subject to all the terms of the present statute, and are jointly responsible for all the obligations of the Federation, even those assumed prior to their admission.

ART. 5. Each of the societies must contribute to the Federation one-tenth of its own paid-up capital, and also the sum of 100 lire for each hundred of its own members or fraction thereof.

At least two-tenths of the capital of each individual society must be paid up at its formation. All the federated societies assume unlimited and joint responsibility towards the Federation.

ART. 7. The federated societies may, in addition, be required by deliberation of the annual meeting to contribute a percentage of their own net profits to the capital of the Federation.

ART. 8. The members of the Federation are the societies themselves in the persons of their respective delegates chosen from amongst their own members. The number of delegates from each society is proportional to its own membership, at the rate of one delegate for each 50 members or fraction thereof. In no case can the number of delegates from any one society exceed three.

ART. 10. The capital of the Federation is made up as follows :

(a) From the shares subscribed by the federated societies in accordance with Article 5 above.

(b) From the percentage of the profits of the societies annually transferred to increase the capital of the Federation as by Article 7 above.

(c) From the Reserve Fund constituted as in Article 12 below.

ART. 12. There shall be subtracted from the profits the amount of 20 per cent, which shall be transferred to the Reserve Fund. The next deduction from profits shall be for paying dividends at a rate not exceeding 5 per cent on the shares in the Federation paid up by the federated societies.

The remainder of the profits shall be divided as follows :

(a) Amongst the federated societies in proportion to the amount of work which each has performed on behalf of the Federation.

(b) For objects of insurance, mutual benefit, co-operation and education. The proportion of the profits thus divided must not exceed 30 per cent, and the resolution must be approved by at least two-thirds of the delegates present at the General Meeting.

In accordance with the (Governmental) Regulation No. 278, Art. 9, dated 12th February 1911, the share of profits due to auxiliary (*i.e.* non-co-operative) labour, corresponding to what

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would be awarded to them if they had been members, must be transferred either to the Reserve Fund or to the objects mentioned in the preceding paragraph (*b*).

ART. 13. When the Reserve Fund has reached an amount equal to one-fifth of the capital of the Federation, the share of 20 per cent of the profits transferred thereto may be diminished in favour of the objects mentioned in paragraph (*b*) of Article 12.

ART. 14. The Federation acts by means of the following organs:

(*a*) The General Meeting of representatives of the federated societies.

(*b*) The Board of Directors (*consiglio d' amministrazione*).

(*c*) The President.

(*d*) The Auditors.

(*e*) One or more Managers (*direttori*).

(*f*) The Technical Committee.

ART. 15. The General Meeting is the deliberating power, and may be either ordinary or extraordinary. The ordinary General Meeting is convened at least once a year. A quorum is formed by the delegates of at least half the federated societies (but two-thirds are necessary to change the constitution or dissolve the Federation).

ART. 19. The Board of Directors is composed of nine members, chosen by the General Meeting from amongst the delegates of the federated societies. They may be relieved from the necessity of providing guarantees. In their first meeting they elect their own President and Secretary. The Board must meet at least once a month, and whenever else necessary.

ART. 24. The General Meeting nominates the Auditors—three active and two reserve.

ART. 25. The Manager (*direttore*) may be chosen from outside the Federation and associated societies. He may be required to furnish a pecuniary guarantee.

ART. 27. Whenever it is deemed necessary for the better functioning of the Federation, the General Meeting may appoint a Technical Committee, of which one member may be chosen from outside the Federation and associated societies. It is the duty of this committee to advise on the preparation of estimates, on the progress of work in hand, and to prepare reports on technical matters.

In addition to its legal "statute", which has the force of law, the Federation has drawn up a set of internal

regulations, of which the following are some of the most important provisions:

ART. 2. Each of the federated societies is autonomous, and has its own Manager, who is responsible for it to the Board of Directors.

ART. 5. Each of the federated societies is bound to present its balance sheet not only to the Prefecture, but also to the Federation.

ART. 7. The federated societies must be in fact composed of workers only, and must have a statute in accordance with the healthiest forms of workers' Co-operation.

ART. 8. The work which the societies perform for the Federation must be invoiced at absolute cost-price, that is to say, there will be included the cost of raw materials, that of wages, and an exact percentage for general expenses.

ART. 13 (d). It is the duty of the Manager to see that the wages paid to labour correspond exactly to the days or hours of work in fact done.

ART. 23 (e). It is the duty of the Technical Manager to engage and discharge workers, to see to the transfer from one works to another of workers, materials and tools so as to balance surplus and shortage.

ART. 25. A foreman will be appointed for each job, and will be responsible to the Administrative and Technical Managers.

ART. 26. The foremen must be at work in their workshop or shed a quarter of an hour before the workmen, and until these have finished work.

ART. 36. Workmen are engaged from amongst the members of the federated societies. It is the duty of the foremen to call up those workmen who are best suited to the work in hand.

ART. 37. If in exceptional cases there is any need to engage workmen not belonging to the federated societies, the request will be forwarded to the employment bureaux of the appropriate professional organisations, or failing that, to the general employment bureau of the Trades Council.

ART. 39. The hours of labour to be observed in general are those laid down in the latest agreement between workers and employers. In the case of work deemed to be urgent by the Manager, the workmen cannot refuse to work overtime on the conditions laid down in the aforementioned agreement.

ART. 40. Repeated unpunctuality, quarrelling, insubordina-

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tion and drunkenness may lead to suspension from work and even dismissal, if so ordered by the Manager.

ART. 44. The Federation, in order to maintain its associated societies on the basis of the healthy principles of co-operation, and that they may have a well-ordered administration and may overcome urgent and momentary financial difficulties, organises the following three services: (a) Accounting Service; (b) Inspection Service; (c) Guarantees of credit.

The development of the Federation may be traced in the growth of the Reserve Fund.

1912 . . .	nil.
1913 . . .	Lire 26,733
1914 . . .	„ 66,173
1919 . . .	„ 161,929
1920 . . .	„ 181,085
1921 . . .	„ 248,231
1922 . . .	„ 269,624

In view of the ever-present danger in Producers' Co-operation that the society may become a group of small masters employing—and sometimes “sweating”—workers who derive no benefit from the organisation, it is interesting to notice the proportion existing between wages paid to members and those paid to non-members in certain years. The balance sheets of the Federation give the following figures:

Year.	Wages to Members.	Wages to Non-Members.
	Lire.	Lire.
1914	795,177	430,695
1919	919,535	568,050
1920	2,917,543	1,219,479
1921	4,761,197	1,350,394
1922	2,823,665	2,106,756

(c) *The Federation of Productive and Labour
Co-operative Societies of Florence*
(*Consorzio fra le Cooperative di Produzione e Lavoro
di Firenze e Provincia*)

Producers' Co-operation in the province of Florence has attained a high degree of organisation. Its form and activities were described by Odon Por in an article in the *Millgate Monthly* for October 1922 (subsequently reproduced in his book, *Guilds and Co-operatives in Italy*, 1923). The present writer had the advantage in 1923 of visiting some of the magnificent workshops owned by this Federation, and was deeply impressed by the scientific organisation, the extraordinarily high quality of the work done in all branches, and the prominent part the Federation plays in the life of the province.

The legal constitution of the Federation (its "statuto") is dated April 1917, and in the short space of time which has since elapsed, an enormous amount of work has been done for public authorities. The Federation was responsible for the building of the sumptuous new General Post Office in Florence, and is now engaged in the construction of the new National Library in Florence, which, when completed, will be one of the finest buildings in the kingdom. It has built large blocks of workers' houses and cottages, has contracts for land reclamation, road-making and river regulation. Many of these contracts have been awarded to the Federation by public authorities concerned after open competition with private capitalist contractors. The value of the work completed in the first five years of the Federation's existence amounted to no less than 40 million lire. During the War many of the Federation's workshops were converted to military purposes, and the Federation was especially active in the construction of aeroplanes. This side of its work still continues under contract with the War Department.

One of the best and most interesting features of the Federation's organisation lies in the fact that to a large extent it has succeeded in overcoming political differences. In this direction the province of Florence is pointing the way to other parts of the country, distracted as they are by these fatal differences. The Federation counts among its constituent societies not only those of Socialist tendency, but also the ex-soldiers' Co-operative societies, which in almost every other part of the country have to be regarded as rival bodies.

In general, the terms of the constitution of the Federation are much like those of the similar organisation in Genoa with which we dealt in the preceding section. The separate societies which formed the initial members and the capital they subscribed to the new organisation were: Metal-workers (Lire 4880), Woodworkers (Lire 2304), Builders (Lire 685), Marble-workers (Lire 2704), giving a total initial capital of Lire 10,573). Each member-society has to contribute to the funds of the Federation a sum equal to 35 lire for each of its own individual members, and has also to invest in the shares of the Federation a sum equal to 5 per cent of its own capital. These shares can be paid in the life-policies issued by the Government to ex-soldiers, but all money so contributed must be devoted to the purchase of fixed capital, such as tools, machines, etc.

The distribution of the profits is provided for in the constitution in a way slightly different from that in vogue in Genoa. Twenty per cent is first put to the reserve, a dividend not exceeding 5 per cent is then paid on the shares (held by the associated societies), 15 per cent is put to a Provident and Assistance Fund, and the remainder is divided amongst the federated societies in proportion to the work each has performed for the Federation (calculated on the salaries paid to members for such work). In common with that of many other Federations, the constitution provides that when the Reserve Fund

amounts to a fifth of the whole capital the annual contributions thereto may be reduced.

Each society sends to the General Meeting of the Federation two delegates for each fifty of its own members (with a maximum representation of five). The Board of Directors is composed of thirteen members chosen from amongst these delegates, with a quorum of seven. The Board meets at least once a month.

The regulations governing the appointment of Auditors, General Manager, Technical Committee and other officers are practically identical with those in force at Genoa, and are therefore not repeated here.

An interesting provision is that relating to the paying-out of societies which cease to belong to the Federation. This may occur through withdrawal, expulsion or bankruptcy. In the case of voluntary withdrawal, the Federation refunds 80 per cent, and in the case of expulsion 40 per cent of the capital invested by the society. The remainder (20 per cent and 60 per cent respectively) is transferred to the Reserve Fund of the Federation.

The Federation states as one of its objects (in Article 2 of its statute) "the procuring of money at the lowest possible rate, to be distributed proportionately amongst the federated societies", and, in this connection, it works in close relationship with the State bank for Co-operation. It also proposes to found a workers' bank as one of the means of breaking the "money monopoly" held by the great capitalist banks.

Collective purchasing, the manipulation of the common labour-fund, and collectively owned machinery, etc., are, of course, principal objects of the Federation's activities. The central body is able to supply the most expert assistance in technical, legal and accountancy questions, and exercises a helpful general supervision over all its members.

Although the greater part of the work of the Federa-

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tion and of the associated societies is performed for public bodies, its purely industrial activities are by no means negligible. In the production of artistic furniture, both modern and in imitation of antique, the Cabinetmakers' and Carpenters' societies have earned a great reputation and do a large trade. The Sculptors' and Marble-workers' societies, too, have done much work for export to private purchasers abroad. A considerable private trade is also done by other societies, for example, the Plumbers and Electricians.

The Florence Federation forms part of the National Federation of Productive and Labour Co-operative societies, to whose co-ordinating work we have already referred, and is therefore able to profit by the advantages deriving from the national organisation.

CHAPTER III

CO-OPERATIVE SOCIETIES FOR INDUSTRIAL PRODUCTION

§ 1. LIMITED DEVELOPMENT

It is usual in Italy to classify together Co-operative societies for labour and production. Of these the former section is by far the more important and more successful. It would be true to say that, on the whole, purely producers' associations are small, weak and of transient existence. The combined labour societies have, as we have seen, vast organisations with huge membership. They have performed colossal works of drainage, road-making, bridge-building, etc., in all parts of Italy. The builders' societies, too, closely connected with the Trade Unions, are of similar magnitude. The combined Metal-Workers' societies, especially during the War, attained vast dimensions. We shall trace presently the development of the glass-blowing industry in Co-operative hands and shall see that, in that direction, too, Co-operative production in Italy has been very successful. We must mention, too, the success that has been won by Co-operative Printing societies. In various parts of Italy Co-operative bakeries have a considerable development and there are a few large tailoring works. But after a careful tour of the chief centres and a detailed examination of reports and balance sheets we are compelled to admit that industrial production in Italy has not, in Co-operative hands, attained to anything approaching the importance of private undertakings similarly engaged. Nor can it

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in any way be compared with the vast productive organisation managed by the English Consumers' Movement.

We were in Italy during the stormy days which saw the occupation of many great factories by the workers—the Fiat Motor Works at Turin, the Pirelli Rubber Works at Milan, the Ansaldo Shipbuilding Works at Sampierdarena. It was the intention of the workers to take over these and other great industrial undertakings and to run them on co-operative lines, but, as was inevitable from the violence of the change and the lack of preparation, the workers soon realised that they were doomed to failure and the grandiose project fizzled out, and any repetition on so great a scale was effectually barred by the advent of Fascismo.

§ 2. AN EXPERT OPINION

Before we attempt to outline the history of a few purely productive associations we shall translate what Sig. Meuccio Ruini says on this topic in his book, *Il Fatto Cooperativo in Italia* (1922):

“ I entertain slight hope for Co-operative societies engaged in industrial production as regards the immediate future. They usually form a single class with the Labour societies, and belong to the same federations but—in every country—their success and development have been very different from those of such societies. In reality, except in England, co-operation was born for productive ends—but not beyond the limits of tiny industries and artisan labour. The great industrial undertakings of the co-operative world are to be found almost solely in the productive works of the English Consumers' Co-operative societies, and they are therefore not examples of Producers' Co-operation but undertakings conducted by Consumers' societies. In Italy such a connection is much more limited, for Co-operative societies for

industrial production and for agriculture work independently without any co-ordination with consumers' Co-operation. It is only in quite exceptional cases that they assume the dimensions of great industries, and practically never equal those gigantic organisations with thousands of workers such as we find in private undertakings. The great factory is not yet a feature of Co-operation in Italy.

"In a country with an artistic temperament such as ours there are fairly numerous examples of Co-operative societies of decorators, marble-workers, etc., who carry on a corporate artisan tradition. Several glassworks are well developed. A more modern art, that of printing, occupied in 1920 about twenty Co-operative societies of which some were very strong, for example the Milan society with 2000 members. There are also a few fairly large Co-operative societies for food-production and for tailoring. The Lodi bakery employs 400 men and the Milan Tailors some 200. . . . The Co-operative movement, in view of the present economic situation and its own especial difficulties, dare not—without exposing itself to a 'grave risk of failure—venture on the purchase and management, on a large scale, of the greatest industrial undertakings. . . . An elementary prudence advises the Co-operative societies to limit themselves, as regards the taking over of large-scale industries, to those special cases which may offer reasonable possibilities of success. . . . When, looking back, we realise that in half a century of Co-operative effort, so few conquests have been effected in the realm of industrial production, we dare not to-day hope for any magical growth, now that the whole industrial world of Italy is tormented by the post-war crisis. It is out of the sincerest friendship for Co-operation that we advise for it a period of quiet meditation and tenacious preparation."

The Statistical Annual of the National League, published in 1916, gives the following figures under

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the heading "Co-operative Societies for Production and Labour".

Industry.	No. of Societies.		Members.	Paid-up Capital Reserve, etc.	Annual Turn-over.
	Existing.	Making Returns.			
Food (bakers, butchers, etc.) . . .	118	63	14,209	Lire. 2,018,990	Lire. 9,985,863
Wood and leather workers . . .	162	110	5,461	1,026,740	6,636,737
Printers . . .	101	70	13,950	1,489,866	4,186,088
Tailors, spinners, etc. .	37	19	3,646	751,229	2,761,956
Various industries .	223	75	12,147	2,953,035	6,701,015

§ 3. CO-OPERATIVE GLASS WORKS

As the Co-operative Glass Works of Italy have deservedly attracted much attention in other countries and as they are the greatest example of purely industrial production in the Italian Co-operative world, we shall sketch their history in some detail.

This side of co-operative enterprise, like the great Co-operative agricultural movement in Emilia, was an offshoot from Trade Unionism and the direct result of a great strike. In 1902 a long strike brought hardship to all the glass-workers throughout Italy, and in the following year, in order to provide occupation for as many as possible of their unemployed members, the recently founded Trade Union known as the Italian Federation of Bottle-makers, which covered the whole industry, bought out the proprietor of a glass-works at Leghorn and set up a Workers' Co-operative Producing society with a capital of nearly a thousand pounds which was soon increased to nearly £4000. The men themselves were the shareholders to the number of 500. "The men put the greatest energy into the enterprise, sacrificing their last pence to take up shares and themselves working as masons and labourers to get the factory into going order. By the end of the year 390 workers were fully employed and the

works had to be extended. From the beginning, the actual producers worked only eight hours in three shifts daily whilst the auxiliary staff and outside workers have had a nine hours day, in both cases an hour less than is usual elsewhere. The current standard wages have always been paid. The management was entrusted, not to one of the glass-blowers but to an able business organiser of great enthusiasm (Cesare Ricciardi) who had formerly been a printer" (*New Statesman Special Supplement on Co-operative Production and Profit-sharing*, Feb. 1914). New premises were acquired at Imola, but this extension of the activities of the young society led to a bitter attack by the capitalist owners of glass-works, who dismissed all those of their workmen who were connected with the new organisation.

The society met this attack by taking over an old plate-glass works and adapting it provisionally to the production of bottles. This made possible the employment of members who had been boycotted by their former employers. The site of this extension was at Vietri sul Mare, and it was followed by other co-operative works at Sesto Calende and Asti (1905). The years 1905 to 1912 were one continuous struggle between these five co-operative works and the great national trust which included all the eight existing capitalist glass-works. So successful were the co-operative glass-blowers that in some years they supplied between 50 per cent and 60 per cent of the whole national output of flasks and wine-bottles. In 1911, however, the Capitalist Trust was able to bring other forces to bear, and, in this year of financial stringency, was in a position to call in the aid of its allies, the great banks. The Co-operators had no free capital and were unable to meet a demand for the repayment of a loan. They had to choose between bankruptcy and voluntary liquidation, and decided on the latter course. Against total liabilities of every description amounting to about £86,000 they had assets to the value of about £66,000.

The faith and zeal of the Co-operators were not

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extinguished by this set-back, and in 1912 four separate societies were formed to take the place of the defunct body. Each of these societies was autonomous and was responsible for the working of one of the four works at Leghorn, Gaeta, Sesto Calende and Asti respectively. The Imola works were abandoned and the business of the Vietri establishment was transferred to Gaeta. This resuscitation of the movement was rendered possible by the intervention of the Milanese Co-operative Bank, which had bought up the works at the time of liquidation of the earlier societies and now leased them to the newly formed bodies. These societies started absolutely without capital, for the Co-operators had lost all the funds they had invested in the earlier venture. Each of the four new societies drew up identical Articles of Association on the model of those of the defunct society. The original capital was formed by the retention of 10 per cent of the sums due to members as wages. Only workmen and employees of the societies are admitted as shareholders and members. An annual General Meeting elects a Board of Directors of 5 members and appoints three auditors—the latter almost always from outside the ranks of the society.

The new societies profited so fully from the errors of the former organisation that they soon became the most efficient establishments of their kind in Italy. They were careful to exclude from membership any who were technically inefficient or morally unsuited to the Co-operative régime. The members gave themselves so wholeheartedly to the new venture that success was assured from the first, and in 1914 it was possible for the societies to take the first steps towards buying outright the works they then held on lease. The capital of the three societies at Leghorn, Gaeta and Sesto Calende respectively was only 680,000 lire in 1913, but by 1916 it had increased to nearly two and a half million lire according to published figures, and was in reality, owing to the fact that large sums of capital were "hidden", very much greater.

The War led to enormous progress. In 1917 it became almost impossible to obtain imported fuel, and practically all the private undertakings in this trade had to close down their works in consequence. The Co-operative societies alone were able to face the vast expense and labour of converting their furnaces and machinery so as to make possible the employment of nationally produced fuel. The result was that they had the whole glass-bottle trade in their own hands. This monopoly permitted gains so enormous that the societies were able to refund to their members the whole of the sums they had lost in the liquidation of the earlier society, and they also started to refund the 10 per cent which they had deducted from members' wages in the early days in order to provide the original capital.

At this time, too, the societies began to devote large sums from their funds to provident purposes and for the institution of Pensions Funds, the assistance of the families of those of their members who had been called up for military service, etc. These funds were eventually all placed on an autonomous basis but with capital coming from the society. A Building Society for the erection of glass-blowers' houses was also set up with capital from the same source amounting to about a million lire (1912).

The next step in the development of this enterprise was to revive some sort of federation. At first this went no further than a common commercial office at Milan, but in 1919 the Union of Co-operative Glass-works (Unione delle Vetrarie Cooperative) was founded in Milan and so once more re-united all four societies in one central organisation. This body does not affect the autonomous nature of each of its four constituent bodies so far as concerns all technical and industrial matters, but it governs their mutual relationships, regulates matters of credit and controls production in the general interest. In 1922 the actual capital of the societies amounted to no less than about 10 million lire (though much of this was "hidden" in the form of subsidiary funds—for

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Pensions, Building Society, etc.). The Board of Directors of the Central Body (the Union), which is composed of the members of the Board of each separate society together with their Technical and Administrative Managers, meets at least once a year.

After a very summary description of three of these societies we shall devote a little more space to the consideration of the fourth (the Asti Society).

The Leghorn establishment covers an area of about 15,000 square metres, has two Siemens furnaces, capable of producing about 30,000 bottles a day, and nine auxiliary furnaces for minor operations. The works are connected with the port by a light railway and the society owns three blocks of workmen's dwellings.

The Gaeta Glass-works covers about 50,000 square metres and is the most up-to-date establishment of its kind in Italy. It is connected by a double line of railway with the main line, has its own chalk-pits, its own sand-pits and a magnificent equipment.

At Sesto Calende the works extend over 25,000 square metres and specialise in the manufacture of beer-bottles. The society has erected a great social centre for the use of members, with library, reading-rooms, etc.

The following figures are extracted from the balance sheets of the above three societies for the years 1913-1921.

COMBINED FIGURES FOR THE CO-OPERATIVE GLASS-WORKS AT LEGHORN,
GAETO AND SESTO CALENDE

Year.	Paid-up Capital.	Reserves.	Members' Loans.	Provident, Educational Funds, etc.	Bonds held by Members.	Value of Plant owned.
	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.
1913	34,155.05	...	...	...	...	...
1914	120,104.49	1,781.49	...	...	...	...
1915	165,296.59	14,045.47	...	...	...	1,302,444.84
1916	25,565.90	19,934.56	...	5,281.30	...	1,255,545.89
1917	376,390.05	69,011.61	...	10,778.87	...	1,156,050.00
1918	686,340.71	116,298.68	...	10,278.67	...	999,351.09
1919	1,258,323.40	193,385.35	170,751.30	14,073.39	570,000.00	879,025.74
1920	1,321,999.98	255,808.85	412,330.68	111,958.76	700,000.00	1,008,022.27
1921	1,514,117.68	361,584.42	941,486.20	131,652.24	665,000.00	1,034,707.09

Year.	Total Assets.	Total Production.	Net Profit.
	Lire.	Lire.	Lire.
1913	682,332.26	1,865,406.32	7,872.36
1914	742,375.25	2,311,946.13	6,043.51
1915	2,023,333.66	2,215,296.52	11,110.89
1916	2,307,829.22	3,377,027.31	61,244.07
1917	2,281,026.43	4,326,661.71	57,839.57
1918	2,912,757.55	6,814,506.86	105,404.41
1919	3,907,751.79	8,839,838.55	261,833.03
1920	5,072,214.12	11,253,638.74	247,436.50
1921	6,328,604.70	15,831,900.65	162,850.55

§ 4. THE ASTI SOCIETY

The Co-operative Glassblowers' Society at Asti (the Vetraria Operaia Astigiana), like its sister societies, arose, in the words of its director, Sig. Betti, "through the tenacity and sacrifices of all its members". Its Articles of Association (*statuto*) were approved on 14th September 1912. It specialises in the production of clear-glass bottles for the Vermouth and Champagne trade of the surrounding region of Piedmont. It covers an area of about 25,000 square metres, of which about one-half is occupied by buildings. It draws its supplies of silica sand directly from the neighbourhood and is connected with the main railway line. The balance sheet for 1923 gives the following figures:

Total assets, 2,814,874.10 lire (including land and buildings to the value of 1,208,525.98 lire.

Paid-up capital, 453,223.30 lire and Reserve Fund of 288,916.02 lire. Funds held for the Mutual Aid and Provident Society, 357,289.53 lire. Funds invested by members as loans (not shares, of which the maximum holding is fixed by law at 5000 lire), 1,306,742.10 lire.

The total sales during the year 1923 amounted to 5,045,848.05 lire, giving a net profit of 17,119.85 lire.

The wages paid to members during the year amounted to 1,663,723.47 lire, and those to auxiliary workers 606,868.75 lire.

The following are some of the more important

provisions of the constitution of the Asti Co-operative society:

ART. 2. The object of the society is to acquire the Glass-blowing Establishment of Asti, and to carry it on directly for the production of bottles, flasks, etc., and all kinds of worked glass.

ART. 4. The society will be federated with the National League of Co-operative societies, with headquarters at Milan.

ART. 5. The capital of the society is unlimited, and is made up as follows:

- (a) From the capital formed by an unlimited number of shares.
- (b) From the Reserve Fund.
- (c) From special funds which may be started for provident or social purposes or for education.

ART. 6. The shares are of 100 lire each: no member may hold more shares than is allowed by law. (*Note.*—The maximum so allowed is Lire 5000.) Shares may be held by Trade Unions, other Co-operative societies or Mutual Aid societies in the persons of their Presidents.

Every member except the representatives of societies as above must subscribe for shares as follows:

Master-workmen	50 shares.
Workmen	30 „
Unskilled workers	20 „
Clerks, etc., in proportion to their earnings, but in no case less than	20 „

Members admitted after 1st October 1920 are required to pay a premium for every share taken up. The amount of this premium varies from year to year according to the state of the balance sheet. Both premium and share-subscription are collected by means of a deduction of 10 per cent from workers' earnings. (This may, in case of necessity, be increased to 20 per cent by resolution of the Board of Directors, and to 30 per cent by resolution of the General Meeting.)

ART. 21. The General Meeting is held at least once a year to approve the balance sheet, appoint auditors, elect the Board of Directors, etc., and may meet in extraordinary session when necessary.

ART. 28. The Board of Directors is composed exclusively of active members of the Society, but the Auditors and the General Manager need not be members. The Board consists of seven members elected for two years.

ART. 40. A Conciliation Committee (*Probi viri*) of five members (at least three of whom must belong to the working-class), is elected for two years. It is the duty of this Committee to arbitrate on all controversies between individual members and between members and officials.

ART. 42. Profits are to be thus divided:

20 per cent to the Reserve Fund.

30 per cent as dividend on shares completely paid up. The dividend must not exceed a rate of 8 per cent. Any excess will be put to the Provident Fund.

20 per cent to be distributed by the General Meeting for purposes of improvement and instruction.

The remainder to the Provident Fund.

ART. 46. Members have a prior right over all non-members to employment in the works.

ART. 47. Positions of trust and special posts will always be given, by preference, to members of the society.

The Provident and Mutual Benefit Fund, founded with capital of the society and largely increased by further grants from the same source, was given an independent constitution as a separate society in 1919 and gives generous sick benefit, death benefit, old age pensions, and pensions for widows and orphans. All members of this society must be members of the parent society. The funds of the Provident Society are, as we have already seen, invested in the Co-operative society and really form a considerable part of its capital.

§ 5. A FEW EXAMPLES OF CO-OPERATIVE PRODUCERS' SOCIETIES

(a) *The Workers' Co-operative Printing Works (Milan)*

This society was the outcome of a bitter struggle between the Printers' Trade Union and the masters in February 1880. Its legal constitution was approved in 1885. The original capital was derived from shares of 50 lire each (payable at the rate of 50 centesimi per week). At first the shares could be held only by members of the Compositors and Printers' society, and this limited the

capital so greatly that it was found necessary to issue 600 bonds of 10 lire each in order to provide sufficient funds to carry on the works. Between 1895 and 1900 the smooth development of the society was hindered by internal disputes, but in 1900 the society was given a true Co-operative basis and all the members of the Milanese Federation of Printers (to the number of about 3000) became shareholders in the Co-operative Society with holdings of 10 lire each (paid at the rate of 10 centesimi per week). All the profits are devoted to provident and other funds for the common benefit. In September 1907 the society opened its own premises, costing 116,000 lire. They are well provided with the most modern type of machinery for all kinds of printing work. The number of members, which had remained in the neighbourhood of two or three hundred for the first years, exceeded a thousand in 1900 and was over 2000 in 1918. The Reserve Capital was Lire 7429 in 1880, Lire 44,190 in 1890 and Lire 55,487 in 1899, 89,289 in 1910 and 138,586 in 1918. The annual value of work done has consequently increased, as is shown by the following table:

Year.	Value of Work done.		
	Lire.		
1880	.	.	13,458
1890	.	.	138,405
1900	.	.	138,717
1910	.	.	210,207
1918	.	.	544,044

(b) *Co-operative Walking-Stick Makers (Milan)*

The workers engaged in this trade were formerly amongst the worst-paid and worst-treated in Italy. They only numbered two or three hundred, and were entirely at the mercy of the two or three firms who had the monopoly of the manufacture of walking-sticks and canes. Long hours and wretched rates of pay led in the first place to the formation of a Trade Union from which

sprang, in 1904, the Co-operative society; it has always been one of its rules that its members should also be members of the corresponding Trade Union. The Co-operative society was formed in 1904, with a capital of barely 900 lire. It seemed, in those early days, that success was impossible of attainment, for the whole industry was at the mercy of the great manufacturer who practically monopolised the market. The only way in which the weak society could find any employment at all for its members was by *working in a body for the same master* for whom they had worked individually. Thus the members of the society had scarcely improved their position, for they were still subject to the same exploitation and from the same source as previously. Gradually, however, the society succeeded in winning its own clientele directly, but only after long and patient effort and heavy sacrifices on the part of members. Continued progress enabled the society to buy larger and more suitable premises. The weekly salary-sheet demanded originally only a few tens of lire (and these were not always forthcoming); now it requires several thousands; the warehouses are well stocked with raw materials; purchases are made largely for ready cash and the credit of the society stands high. The following figures are interesting:

Year.	Value of Work done.		
	Lire.		
1905	.	.	2,976
1910	.	.	15,118
1915	.	.	52,207
1918	.	.	226,373
Capital, 1905	.	.	925
„ 1918	.	.	10,562

(c) *Co-operative Basketmakers (Milan)*

This is another industry in which the conditions prevailing prior to the setting-up of the Co-operative society were wretched in the extreme. The fact that in the

country districts the making of baskets was looked upon as a spare-time occupation—done for pocket-money during bad weather, meal-times, slack seasons, etc., and that the payment for the baskets was there considered almost as a gratuity rather than as a wage, made it impossible for the town-worker at this trade to find work in the face of this competition at anything like a living wage. The only way in which the miserable pittance received could be made at all tolerable was to spend it in drink which brought forgetfulness—and the Milanese basketmakers were a proverbially drunken class. A long and patient work of propaganda had to be performed both in town and in countryside before any better conditions could be attained. This work ultimately led to the successful formation of the Basketmakers' Trade Union, which brought the town and rural workers into communication and taught them to see that their interests were identical. This step forward was taken in 1897, and ten years later (1907), at a moment when the masters of the industry were loudest in their complaints that the workers' new demands were ruining the industry, the Co-operative society was formed with 54 members and a capital of only 1550 lire. Once more the little band of pioneers had to endure much hardship and make many sacrifices before the society was placed upon a sound basis. The struggle for existence in the face of the competition of the countryside and the hostility of the masters is now a thing of the past, and the society employs in its own workshops about a quarter of the local labour of the trade and leads a prosperous existence. The following figures are taken from its balance sheets:

	1907.	1918.
	Lire.	Lire.
Capital . . .	1,550	9,603
Work done . . .	16,890	121,380
Wages . . .	9,700	43,016

(d) The File-Polishers' Co-operative Society (Milan)

About the year 1889, as a result of competition between the masters, workers at this trade had to endure almost insufferable conditions. Their hours were as much as eleven or twelve a day and their wages were continually falling. As an attempt to better their condition a Co-operative society was started in Turin in 1891 and a branch was opened in Milan five years later. The struggle for existence in the first years was heroic. Members contented themselves with a daily wage of a lira and a half rather than relinquish their hard-won independence. Their patience and faith were ultimately rewarded, for the File-Polishers' society is now in a healthy condition and has organised Insurance Funds against sickness, old age, etc., for the benefit of its members. The balance sheet for the year 1918 gives the following noteworthy figures:

	Lire.
Capital paid up	44,349
Reserve Fund	20,529
Value of work done	1,015,172
Net profit	88,059

(e) The Iron-Furniture Makers' Society (Milan)

This society was founded in 1904 with 74 members and, in common with most other societies of the kind, had a very difficult time at first. Its workshop was cramped, its tools were few and clumsy, its raw material was also small in quantity and, through its financial weakness, difficult to secure. A loan of a few thousand lire was granted by the corresponding Trade Union to eke out the few hundred lire which represented all the capital the original members were able to contribute to the venture. The first two years were a time of almost continual hardship and it often seemed as though it would be impossible to carry on to the end of the month. But in 1906 things improved, and in the following year the

turn-over reached 90,000 lire. Large credits from the Co-operative Bank and the Milanese Federation enabled the society to expand its business. Even after this, however, the society fell upon evil days. It suffered, as is regrettably often the case in such small associations of producers, from inadequate guidance and lack of capacity in the members charged with the purely business side of its activities—buying, selling and financing—and the enterprise was on the verge of failure when the Federation stepped in and reorganised the society. Several years elapsed before it was possible to declare the society out of immediate danger of extinction. The securing of large contracts from various hospitals, institutions and municipalities made it necessary for the society to move into larger premises, and in 1920 it was able to report an annual turn-over of more than 300 thousand lire with a yield of considerable profits which are thus divided: 50 per cent to the Reserve, 10 per cent to the corresponding Trade Union, 10 per cent to a Sick Provident Fund, 20 per cent to a Provident Fund for all members of the Trade Union whether members of the Co-operative Society or not, 10 per cent for distribution amongst members and employees of the society in proportion to the number of days' work done by each and his normal wage.

(f) *Co-operative Mattress-Makers (Milan)*

This society provides us with one example of a class which is unfortunately not small, namely Associations of Producers which have departed from the true principles of Co-operation and have allowed the selfishness of a few original members to prevail over considerations of the general good of the workers employed in the undertaking. The original members numbered 14 at the foundation of the society in 1906 and their capital was no more than 1030 lire (little more than £40). They refused to open their ranks and thus became a little group of small

masters, with the result that the Milanese Federation, which had previously helped the society to consolidate its position, felt itself bound to expel it from the ranks of true Co-operative societies.

(g) *Co-operative Tailors (Milan)*

Prior to 1904 it was the custom for little groups of tailors to unite for the purpose of hiring a small workroom and furnishing it simply with a few tables and sewing-machines. Each person then brought his own work to this common room and worked there on his own account. This was the seed from which this powerful society sprang, for in 1904 the Milanese Tailors united in a real Co-operative society to the number of over 200. The capital was fixed at the ridiculously small contribution of 5 lire per head. The object of this was to encourage the women tailors, who worked in capitalist factories under conditions of the most terrible "sweating", to join the new organisation. This object was not realised, however, for hardly any women joined the society. The capital thus remained so small as to be absolutely inadequate, but, in spite of their weakness and the smallness of their workshop, the Co-operators were full of courage and, through the influence of their manager, they were able to conclude a contract with the municipality of Milan for the supply of uniforms for municipal officials. Without the financial backing of the Milan Federation and the local Popular Bank the contract could never have been completed, but thanks to that help the greatest difficulties were overcome, and it was possible to close the first balance sheet with a considerable profit. Thereafter the path was smoother and the society was able to enter into contracts with other public bodies, hospitals, etc., in the neighbourhood. The hostility of capitalist tailoring undertakings was now fully aroused, and the society had a period of crisis in which the contracts which had made its

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development possible were not renewed. It was four years before the society succeeded in regaining them. In the meantime it had built up a considerable clientele amongst private individuals and managed to retain this custom. In 1920 the society had a turn-over of about a quarter of a million lire, made purchases of cloth, lining, etc., to the value of about 160,000 lire and paid wages of about 50,000 lire.

NOTE.—Even in the most prosperous of the societies to which we have directed the reader's attention in this section it is obvious that only a fraction of the shareholding members of the society were actually employed. The interest of the majority was limited to the purchase of a certain number of shares of small value, on which they drew a small dividend while they were, for the most part, themselves employed in capitalist undertakings. The societies could not be run on the slender capital of the working members, who must therefore have lacked that sense of owning their own means of livelihood which is often claimed to be the most valuable attribute of producers' associations. In proof of this we need but mention the Printers: membership 3000 and annual turn-over (1918) about £22,000; and the Tailors: membership over 200; annual wage-bill about £2000.

CHAPTER IV

CO-OPERATIVE AGRICULTURE

IN directing the reader's attention for a few moments to the development of Co-operative agriculture in Italy, it is a pleasure no less than a duty to acknowledge with gratitude that most of the information contained in this section of our study was obtained directly from an unpublished study of Signor Aillaud, one of the Italian representatives at the International Labour Office, Geneva. In his monograph Signor Aillaud thus describes the three chief types of Co-operative agriculture in Italy, after showing how the emergence of each is the direct result of natural conditions:

§ 1. COLLECTIVE LEASES

“ These enterprises are, in general, (*a*) *Affittanze Collettive a Conduzione Unita* (Collective Leases with Joint Management); (*b*) *Affittanze Collettive a Conduzione Divisa* (Collective Leases with Divided Management); (*c*) Collective Leases with Management by Allotment.

“ In Collective Leases of the first category the enterprise is placed under one sole management and the work is executed by the members in common in accordance with rules made by the governing body. In their status as workers the members receive wages of which the maximum is fixed by the customary agricultural

agreements of the district: usually they are paid only a proportion on account during the year (*e.g.* 80 per cent), and receive the balance at the end of the business year plus the due share of profit (if there is any profit), which is distributed in proportion to the amount of capital subscribed by each member.

"In Collective Leases of the second category the enterprise is already 'divided', or rather there exists beforehand a large number of small self-governing undertakings, each of which is entrusted to one of the members. In this case the organ representing the Co-operative body has as its only essential function the regulation of relations with the landlord and with third parties, although the Co-operative body may naturally, and in varying degree according to the terms of the legal constitution, concern itself also with the purchase and use of machinery for the common account, the supply of seed, fertilisers, etc., and the sale of produce.

"In collective farming of the third category the undertaking is subdivided into lots by the governing body of the society, with the aim of making all the lots as nearly as possible of equal value. These lots are usually drawn for by the members. Naturally this form admits of many variations, and here again the Co-operative society may limit its activities to these operations of division and to the relations with the landlord and third parties, or it may, by the terms of its constitution, take powers of technical direction and, in this case, prescribe for example the order of rotation of crops and of new divisions of the property, carry out in common on behalf of the whole undertaking essential agricultural operations such as ploughing, sowing, etc. The explanations we have given above give the reason for the prevalence in Emilia and Bologna of the form with Joint Management, in Venetia, Central Lombardy, etc. of that with Divided Management, and in Sicily and other regions with *latifondi* (large estates) of the form with Management by

Allotments. The conditions of agricultural economy have, in practice, given birth to the variety of types found to-day, and now, after an experience extending over twenty years, it is generally recognised that these conditions constitute the determining factors. But it was not thus in early days, and the two great parties then existing, the Socialists and the Catholics, engaged in lengthy polemics regarding the direction of the Co-operative movement and the preference which should be given to either Joint or Divided Management. The Socialists naturally adopted the first solution. The important thing, to them, was to reach the emancipation of the proletariat, the socialisation of the means of production, which in this connection meant the emancipation of the agricultural labourer and the socialisation of the land. All their sympathies, therefore, were given to the forms of collective undertaking with Joint Management, and consequently to a close agreement with the Trade Union movement.

“The Catholics, on the other hand, partisans of the smallholder, became the champions of Divided Management. We deem it useless to set forth in detail the arguments adduced by the two parties since, nowadays, the most competent leaders on both sides recognise that the question is only of theoretic importance. It is much more useful to describe the spread and the progress of the movement, its discipline and its co-ordination, the growing influence which it exerts on public authorities and which may be traced in the legislation prior to the crisis which followed the War.”

§ 2. EARLY EXPERIMENTS

A few other experimental efforts in Lombardy followed the failure of the Ostia undertaking to which we have already referred, but the first to achieve anything like real success was the result of a contract made in

1902 by which a Co-operative society was formed to take over a large domain at Fabbrico in Reggio Emilia. This contract served as a pattern for many later Collective Leases, which, from this date, began to flourish in every direction. In Central and Northern Italy, then, as we have seen, agricultural co-operation was fostered chiefly by the desire of Trade Unions to provide work for their members during periods of unemployment, and, by the keeping of registers and the transference of superabundant labour from one place to another, much was done towards equating the supply of labour with the effective demand for it. This was especially important in Northern Italy, where the population was increasing very rapidly at the beginning of the present century, and where there was not that tendency to emigrate which has long been the characteristic of the southern portions of the peninsula.

§ 3. THE PROBLEM IN THE SOUTH

In Sicily the Collective Leases arose from a different cause. Southern Italy was first colonised and developed by the Greeks, and was for a long period of time much in advance of the North, which was indeed for a long time nothing more than a waste of marshes. After the second Punic War, however, the South declined continuously, while the North was gradually colonised. This process of decay continued in the South until a stage was reached at which farming became impossible. In this state the region has continued to the present day, and any agricultural developments must now be preceded by years of preparation, and vast expenditure in draining and fertilising the soil and the afforestation of the hills, etc. The difficulties of agriculture have been intensified in the South by the existence of vast estates (the *latifondi*), many of which are the property of absentee landlords. These estates are administered by middle-men speculators

(gabellotti), who have earned the hatred of the poor tenants by their rapacity and exactions. It was chiefly the desire to dispense with these intermediaries between tenant and landlord which gave rise to agricultural co-operation in Southern Italy and Sicily. Co-operative societies were formed to rent large estates directly from the landlords. The estates were then divided amongst the members, the Society reserving to itself certain limited rights of co-ordination and control.

§ 4. GOVERNMENT REPORT

The development of agricultural Co-operation in Italy has been widely studied, notably by Sella, Raineri, Samoggia, etc., and formed the subject of a Government Report in 1906, of which the following is an extract: "The general aim of Peasants' Associations and Co-operative societies for Collective Leases is that of giving the cultivator the direct management of the agricultural undertaking, together with all its profits and all its risks. This tendency has assumed various forms, not only in accordance with the opinions of the promoters, but rather in accordance with the system of cultivation usual in the different centres where the collective leases arose. Where individual cultivation by smallholders is prevalent, it is the individual farmer who tries to free himself from intermediaries by dealing directly with the landlord, paying his rent and keeping the whole of the remainder of the produce for himself. Where the common form is individual cultivation, but not of the smallholder type, and there is consequently a large demand for labourers, it is the mass of casual labourers who endeavour to take the place of the agricultural 'entrepreneur' while preserving his technical functions with relation to the landlord. Where the cultivation is entirely collective and the manual labourers have an absolute preponderance, they retain this position not only in taking all the risks

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and profits, but also in directing the technical part of the undertaking by employing a salaried staff. These Collective Leases are classified, according to the method in which they operate, into Collective Leases with Joint, Divided, or Mixed Management. The first form, prevalent in Emilia, undertakes great agricultural enterprises under the guidance of paid technicians, and the members, who govern the undertaking through the Board of Directors, which they elect, work for wages—except for their shares in the profits—especially in times of greatest need when, in the district of Emilia, there is no public work available and no demand for agricultural labour by private farmers. In the Divided Management, prevalent in Sicily, the Co-operative society leases a large estate from the landlord and then sub-lets it to its own members, reserving to itself alone, in some cases, limited functions of direction and co-ordination.”

From 1902 the Agricultural Co-operative societies spread rapidly throughout Italy—the type in each region being determined, as we have seen, by natural conditions and the prevailing political tendency. In 1906, that is within five years of the emergence of the Collective Leases, the *Federazione Italiana dei Consorzi Agrari* (Italian Union of Agricultural Federations) reported the existence of 108—25 with Joint Management and 83 with Divided Management. In 1913 the Collective Leases of Manual Labourers (*i.e.* the type common in Emilia and Romagna) alone numbered 83. The official Statistical Annual of the Statistical and Labour Department gives a list of 1371 Agricultural Co-operative societies existing in 1916 (these, however, include societies of all descriptions—for sale, purchase, silk-worm culture, etc.). The *International Labour Directory* for 1923 shows the National Federation of Agricultural Associations (Catholic) with a membership of 1112 societies, the Italian Federation of Agricultural Supply Co-operative societies (Neutral) with a membership of 350,000 divided amongst 939 separate

societies, the National Federation of Agricultural Co-operative societies (Socialist—Bologna) with 72,656 members in 1161 societies.

At the same time there has been an increasing tendency for Co-operative societies to purchase outright the lands they work, thus doing away with the landlord as they had previously done away with the intermediate speculator between him and themselves.

§ 5. AN EXAMPLE OF CO-OPERATIVE AGRICULTURE—RAVENNA

As a concrete example of the way in which Agricultural Co-operation found its origin and development, we now direct the reader's attention for a few moments to the history of Co-operation in the province of Ravenna, which is especially concerned with this side of the movement.

The name of Ravenna will for ever hold a place of honour in the annals of the Italian Co-operative Movement, and with it will be indissolubly connected that of Nullo Baldini, for it was here that in 1883 he founded the first Italian Co-operative Labour Society—the *Associazione Generale degli Operai Braccianti*. The 150 original members opened up a new avenue of progress for the Italian Labour Movement when, after draining the marshes of Ostia, they leased the reclaimed area with the object of developing Co-operative agriculture on their own account. We have referred elsewhere to the fate of this experiment and shall therefore confine ourselves at present to the statement that the development of this side of Co-operative activity is sufficiently indicated by the fact that the society, after an active existence of over forty years, now numbers 3200 members. Although this society is the largest of its kind, it is by no means the only one whose development testifies to the progress made in this direction. In the monumental Statistical

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Annual issued by the National League of Co-operative societies in 1916 there are enumerated for the Province of Ravenna alone no less than twenty-four Co-operative Labour societies, with a total membership of nearly 9000, total share-capital of 160,000 lire and total Reserve and other Funds of over 330,000 lire, an annual turn-over of nearly two million lire yielding an annual profit of over 30,000 lire. The work that these societies have performed in draining and reclaiming waste land and converting it into a vast and fruitful agricultural region is so great as practically to defy description. So colossal a monument to the efficiency of Co-operative labour must be seen, as the writer saw it, to be believed.

This remarkable growth has not proceeded without internal struggle. The increasing claims for land put forward by the Manual Labourers' societies—an offshoot, as we have seen, of the Trade Union Movement—aroused the hostility of the peasants, and the years 1908, 1909 and 1910 were full of strife (*la lotta per le macchine*). As is unfortunately once more the case in Italy, the dispute was soon a matter of political partisanship. The Republican Party supported the peasants and the Socialist Party the Manual Labourers. Two rival organisations were founded—the Provincial Federation of Co-operative societies by the Socialists in 1911, and the Autonomous Federation of Co-operative societies by the Republicans in 1912. Both groups of societies were greatly developed by the War with the consequent increased demand for home-grown food and the great increase in prices for agricultural produce of all kinds. The years 1916 and 1917 were those of most rapid development. The Government was bound to foster food-production by all means in its power and, through the agency of the State Bank for Co-operation, large credits were granted. The plan usually followed was to arrange mortgages on suitable land for 30 or 50 years, the Co-operative societies paying interest at the rate of 3 per

cent per annum. At the time when the activities of the Socialist organisation were arrested by the destruction of its headquarters the Provincial Federation was working 8000 hectares (about 20,000 acres) of land and the Autonomous Federation (Republican) about 6000 hectares (about 15,000 acres). When the writer was in Ravenna attempts were being made to combine the two organisations in a Single Federation (*Federazione Unica*).

The individual societies are organised on the principle of Joint Management (*Condizione Unita*), which we have explained in detail elsewhere in the present study. The members work not for a fixed salary but for participation in the total product of their joint labours. All those employed must be members of the society. Each society has a salaried expert as Technical Director, who is charged with the solution of the problems arising from the rotation of crops, the form of cultivation to be employed, the yield, administration, etc. He is responsible to the Board of Directors of the society—working members elected by their fellows. The Auditors are usually chosen from outside the society. Profits are never divided but are set apart for Pensions, Reserve, etc. The work is all done by the Co-operative society as a whole. The member receives one-third of the product of the land allotted to him. If, for example, the land yields 24 quintals of grain per hectare the member is credited with the value of 8 quintals per hectare, which at present values would be equivalent to about 20 lire per day and is therefore above the average daily wage for paid workers.

All the societies are, in their turn, members of the Federation. This body is charged with the surveillance and control of the societies' Technical Directors, makes collective purchases of seed, manure, etc., for all the societies and, as it also makes collective sales, it is able to negotiate very large contracts. Owing to the expert guidance thus made available and to the advantages of purchasing up-to-date machines and equipment for the

common use, the Co-operative farms are usually much better fitted up than those of private proprietors. They have also been well stocked with live-stock.

The financial arrangements are much the same as those we have already mentioned in the case of Industrial Productive Societies. Each society holds shares in the Federation in proportion to the number of its own members. The capital of individual societies is made up of its shares (usually each member holds from one to four of the value of 25 lire each), its Reserve Fund and its accumulated Profits. The society at Mezzano, for example, has about 800 members with capital and reserves amounting to more than a million lire.

It is a happy omen that the societies which were founded for purely political ends have, for the most part, already disappeared, and after the turmoil of recent years the remaining societies are already consolidating their position and pursuing their great work in peace. The great social benefits deriving from this aspect of Co-operative activity are obvious. The worker is given the opportunity to lead a life better in every way than that of the casual labourer. There is much less unemployment. Even in the worst seasons the labourer is sure at least of the means of bare subsistence from his own plot.

It has been the practice of the Italian Government to make grants each year for Reclamation Works which provide employment during the winter months, and these grants are administered by the Central Federations who divide the work among the member-societies in proportion to their need for this subsidiary employment.

In order to give a more detailed picture of the work that has been and is being done by Co-operative effort in the Province of Ravenna, we conclude this section with some extracts taken from a handsomely illustrated report published by the Autonomous Federation of Co-operative societies in the Province of Ravenna (*Consorzio Autonomo delle Cooperative della Provincia di Ravenna*),

which summarises the activities of that organisation up to the end of the year 1921. The year 1920, as will be seen from the figures given below, had been the year of greatest expansion in the history of the organisation, and at the time of the publication of the report it was realised that the moment had approached for a cautious review of past activities and the consolidation of conquests already won. In previous years the obtaining of sufficient credit had presented little difficulty, and the associated societies had been able, in consequence, to rent and, in some cases, to buy large areas of land and to purchase all the necessary machinery, erect buildings, etc. From 1921, however, conditions changed as a result of political influences.

This federation is interested in the organisation and development of Co-operative activity in all its phases, and is concerned with all branches of Production, Labour and Consumption, but its report states that in the Province of Ravenna, "which is pre-eminently agricultural, the field for Co-operative organisation is and must always be found chiefly amongst the workers on the land and especially amongst the manual labourers (*braccianti*), that immense body of labourers who are spread throughout the region and who suffer most from the uncertainties of the morrow and who realise most keenly the need for organisation and the stimulus of struggle and conquest". To every one of these casual labourers the Federation was able to guarantee an average of a hectare of land (about $2\frac{1}{2}$ acres), but realised that this provision (especially as it did not allow of any land being granted in respect of women) was still too small to be regarded as a satisfactory working unit. "The Co-operative societies of Manual Labourers have assured better pay for the workers and have guaranteed the means of work even to men of inferior physical powers; they have developed a greater confidence in the possibilities of agriculture, have permitted the undertaking of formidable works of reclamation

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of land which rich private owners and public bodies have been either unable or unwilling to tackle, they have acted as a check on excessive prices and have combated all tendencies to parasitism; they have, in short, perfected the agricultural conscience, although it is not yet fully mature, in the labouring classes who acted previously only under the one-sided influence to resistance arising from the Trade Unions. They have in this way contributed powerfully to the more rational development of agriculture, thus conferring benefits on all classes of the community."

The Federation is itself directly responsible for the management of 15 farms, while the 23 associated Co-operative societies manage no less than 80. The following shows the total area of land held by the Federation and associated societies on lease:

Year.	Acres (approx.).	Year.	Acres (approx.).
1911 . . .	656	1917 . . .	3,566
1912 . . .	1,224	1918 . . .	4,193
1913 . . .	1,974	1919 . . .	5,353
1914 . . .	2,354	1920 . . .	12,936
1915 . . .	3,509	1921 . . .	13,041
1916 . . .	3,509		

In addition to these farms held on lease the Federation from 1918 encouraged the societies to purchase land outright, and rapid development in this direction is shown by the following table giving the area of land actually owned by the Federation and its societies:

Year.	Acres (approx.).	Year.	Acres (approx.).
1918 . . .	351	1920 . . .	4964
1919 . . .	982	1921 . . .	5034

In this connection the report of the Federation says: "The societies at the time did not have as their ideal aim the development of themselves as landed proprietors, but were driven to adopt this course by local circumstances which made it imperative thus to acquire farms in order to provide stable employment for their members.

If credit on real estate had been possible, purchase would have been preferable to tenancy, but the suspension of the regulations for credit on real estate rendered purchase more onerous than tenancy, since it must be clear to all that capital invested in land cannot bear interest at the rate of 7 or 8 per cent. It must be a principal object of our activity to ensure that the State should enforce at the earliest possible moment the regulations in favour of credit on real estate, seeing that the Co-operative societies entered into these purchases of land in the belief that the regulations proposed were not meant to remain solely on paper."

The Federation itself, as we have said, manages directly a certain number of farms, but it hands these over as soon as possible to individual societies, as it considers this side of its activity outside its proper objects, and indeed to some extent at variance with true Co-operative principles. To give but one example of the vastness of the tasks undertaken in converting barren and marshy wastes into fruitful farmlands, we mention the works performed in one farm, the "Umana" (1650 acres), which is owned outright by the Federation.

Construction of a dam over 4 kilometres in length.

Construction of over 30 kilometres of main drains.

Construction of a vast network of subsidiary drains.

Levelling of the whole area.

Construction of a complete system of cart-roads.

Erection of buildings.

Erection of two waterwheels, in two separate drainage basins.

The clearing and ploughing of the greater part of the area.

The sowing of the whole area reclaimed.

Many of the individual societies, too, have, on their own account, undertaken large works of reclamation and improvement, but the more important tasks of this nature are assumed directly by the Federation. The

construction of artesian wells has also been successfully undertaken, and has done much to render the land fertile. For such purposes considerable grants have been received from the Government. At Savio no less than 175 acres which were previously either submerged or marshes have been added to the Federation's farm. Naturally the reclaimed soil needs careful biochemical treatment before it becomes fertile, and in this direction the guidance of the expert Technical Directors has proved to be invaluable. The first years are, therefore, one continuous struggle, and yield little return for the immense amount of labour put into the land. It says much for the patience and discipline of the members that so many of these farms are now rich and smiling centres of profitable industry.

One of the directions in which the Federation proposes next to turn its energies is the construction of Co-operative grain-elevators for the storage of crops, so that in making collective sales they shall be less at the mercy of speculative dealers.

Beetroot, tomatoes, potatoes, cucumbers, grapes and beans are all cultivated where conditions are suitable, and great hopes are entertained that the cultivation of tobacco may prove a considerable source of revenue in the future.

Financial considerations for a time impeded the rearing of live-stock. In the words of the Federation: "Encouraged by the prevailing high prices, we have been up to the present either exclusively or to too great an extent hay and forage merchants, and we have not paid sufficient attention to the rearing of cattle and horses. These are two sources of inestimable wealth, and always represent a source of the most generous returns." As far as the Federation has engaged in the production of milk, it has been very successful. Throughout 1921 the Federation was milking an average of 14 cows, and secured a total milk-yield of 55,614 litres with a net profit of 2500 lire. A large proportion of the sales was made

collectively on behalf of the societies by the Federation—and a still larger proportion of the purchases was so made. In the year 1921, for example, the following were the collective purchases:

Phosphates	28,000 cwts. (approx.)
Nitrates	530 " "
Agricultural machines	420,000 lire
Selected seeds	858 cwts. (approx.)

We have already said that, at certain seasons of the year and especially in the case of land that has only recently been reclaimed, the returns from agriculture are too small to support the members of the societies. The Federation therefore secures contracts for public works, if possible in the neighbourhood, but, failing that, in any part of Italy, and so provides a subsidiary source of revenue for the Co-operators. In Southern Italy the Federation has completed many contracts for public authorities—the making of harbours, the building of dykes and embankments, etc. The value of work so executed from 1913 to 1921 is given hereunder:

	Lire.
1913	97,997.50
1914	842,109.99
1915	700,043.00
1916	622,396.21
1917	500,083.02
1918	817,121.84
1919	1,662,147.56
1920	2,569,541.52
1921	2,970,386.94

The Consumers' Co-operative societies of the Province of Ravenna form part of the same Federation, but here, as throughout Italy, they have not attained the importance of nor are they usually so flourishing as the societies of a different nature which have formed the principal object of our study. There are altogether thirteen societies belonging to the Federation, and the largest of these, the

"Emancipation", with headquarters at Ravenna, had in 1921 over twenty branches.

The Federation also included in 1921 about 30 Co-operative societies engaged in various arts and trades (sixteen of them were Builders' societies), but these were for the most part small and of little importance.

§ 6. OPINIONS REGARDING THE SUCCESS OF CO-OPERATIVE AGRICULTURE

The growth of agricultural co-operation in Italy is indisputable, but on account of the very varied and even conflicting opinions expressed by different observers, it is difficult, at present, to speak with any certainty as to the real success of the movement. Mr. Strickland, I.C.S., sums up the results of his impartial investigation by saying that collective agriculture has given wonderfully increased production. The Italian Co-operator, however, is a peasant without capital and is, therefore, not adapted to handle either the richest or the poorest soil, and Mr. Strickland concludes by saying that the soil of Italy will not be in Co-operative hands for at least a generation or two. Mr. Otto Rothfield, I.C.S. (Registrar of Co-operative societies, Bombay Presidency), in his report of a short investigation, points to the lack of co-ordination as one of the chief disabilities from which co-operation in agriculture (as in other branches) suffers in Italy. Signor Ruini, the ex-Minister, says of the Collective Lease system that "it is an undoubted fact that it tends to reduce unemployment and to increase the 'volume of work'". It certainly also increases production, and such Co-operative undertakings continue to add to their capital and effect improvements. The Collective Lease system tends as a rule to raise the standard of farming. On the other hand, it is an open question whether the Co-operative societies are a financial success, at least immediately, and whether they pay, in addition

to good wages, a sufficient return on capital. While the profits of Co-operative societies are usually very low, expenses of management are rather high" (*International Labour Review*, January 1922). Gorni, Bernaroli and Benassi, though of different political parties, all agree that co-operation increases production, and give striking examples as both regards corn-growing and cattle-rearing.

Dr. Preziosi, on the other hand (*Cooperativismo Rosso, Piovra dello Stato*) denies absolutely that the Co-operative societies have done anything to increase production. He gives, in fact, instances where, he says, Co-operative societies in Ravenna took over lands which had recently been developed at the expense of the municipality or of private individuals and, far from improving on the results obtained by the farmer owners, allowed the production to fall to less than one-half of what it had been previously. In consequence, the Co-operative societies found themselves unable to pay any rent to the municipality of Ravenna for land valued at 20 million lire. Dr. Preziosi further complains that, in competing with private producers, the Co-operative societies unfairly monopolised the available supply of labour, through the influence of the Trade Unions. He denies that the Co-operative societies have introduced any improved methods of exploitation or of organisation. Rather, he says, that where private producers, under stress of the laws of individual profit, effected all their operations with technical capacity, and with the minimum of general expenses, the Co-operative societies employ an army of technical directors, managers, overseers, foremen, etc., and their uneconomical organisation is that of a mass of parasites. All this, and more, he says, may be proved by reference to the unprejudiced report of the Governmental Commission of Enquiry into the state of Romagna in 1910-11.

In an article in *La Cooperazione Agricola* for the 31st of December 1918, Odon Por, after briefly tracing the

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great developments that have taken place in Italy in Agricultural Co-operation, gives it as his definite opinion that the Collective Leases have increased production, and goes on to develop the thesis that they make possible the industrialisation of agriculture. Through their close relationship with the Trade Unions they can monopolise the supply of labour, and can therefore dictate their own price for money and land. He says that all agricultural produce should be handled, in its entirety, by a Federation on a national scale. This writer also urges the Co-operative societies to develop a new side to their activities by undertaking the planting, on a vast scale, of poplar trees, with the object of setting up a national industry for the manufacture of cellulose. This, he says, is only one example of the way in which Co-operative agriculture can give birth to new industries.

CHAPTER V

THE BREAK-UP OF THE MOVEMENT

§ 1. POLITICAL INFLUENCES

THE great need for supplies of all sorts which arose during the War and the period of reconstruction immediately following it gave an enormous impetus to the development of Co-operation of every description. Societies were able vastly to increase their reserves and it seemed that the Co-operative movement was destined to play a predominant part in the colossal labours of repairing the ravages of the war-years. In the devastated regions, especially, there was an enormous field for Co-operative effort in every direction. Unhappily, the political crisis which overwhelmed the country after the Armistice shattered the movement which had grown to such proud dimensions and laid it in ruins. It is too soon even yet to say whether there is any hope of it rising phoenix-like from the ashes in which it has been laid, but all friends of Italy, no less than all friends of the Co-operative movement, can only hope that after all and when viewed in retrospect, the fratricidal strife and partisan bitterness which have marked these last years may lead ultimately to the re-birth of a better and stronger movement which shall worthily play its part in the splendid work that lies before the new Italy.

In Dr. Preziosi's book entitled *Cooperativismo Rosso, Piovra dello Stato* and in the introduction to that book by Prof. Pantaleoni there is a long and bitter attack on the

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Co-operative movement, especially with regard to its activities during the years of the War and those immediately following. Charges of corruption, dishonesty and anti-national action are there made in the most pointed terms. The Lega Nazionale delle Cooperative (National League of Co-operative Societies) is especially attacked as being a Socialist body for ever robbing national funds, chiefly through the agency of the Istituto Nazionale di Credito per la Cooperazione (State Bank for Co-operation) founded by royal decree on 15th August 1913.

§ 2. THE NATIONAL LEAGUE A SOCIALIST BODY

Without entering into this controversy, we may say that it seems clear that at the Congress of the Lega Nazionale delle Cooperative (National League of Co-operative Societies) held in Rome on the 8th February 1920, that body definitely allied itself with the Parliamentary Socialist Party, for the following resolution was passed: "The Congress authorises the Governing Council of the League to come to an agreement with the General Confederation of Labour and with the Italian Socialist Party with the object of strengthening the respective movements in the international, national and local spheres and with the further object of entrusting to a single body, the Parliamentary Socialist Group, legislative and parliamentary action relating to the desires of the Congresses of the National League of Co-operative Societies."

From that date began the break-up of what had previously been a unified economic movement. Political activity has continued to grow and has led, in many cases, to the formation of rival Co-operative societies of identical types in the same neighbourhood. Opinion differs widely as to how far the Co-operative movement (in all countries) should concern itself with politics. Sir William Maxwell, until recently President of the Inter-

national Co-operative Alliance, said that Co-operation ought to enter into Politics and not Politics into Co-operation, and, in quoting this opinion with approval, Ruini adds that of Marshall to the effect that Co-operation may draw from lofty political and social ideals those motive forces and stimuli without which its own life would be impossible. He concludes that it is vain, however, to hope to overcome the divergencies between, for example, the "red" (Socialist) and the "white" (Catholic) organisations. "Whatever opinions we may hold in theory, the attitude and political grouping of the Italian Co-operative movement are inevitable."

§ 3. "CATHOLIC" CO-OPERATIVE SOCIETIES

After the adherence of the National League to the Socialist parliamentary party, and chiefly as a direct result of that adherence, the "Popular" (*i.e.* Roman Catholic) parliamentary party set up its own Co-operative organisation under the name of the *Confederazione Cooperativa Italiana*. This organisation, founded in 1919 with headquarters in Rome, soon attained very great dimensions. In opposition to the "red" (Socialist) league, it is generally known as the "white" league. The general federal structure of the league is identical in outline with that of the older National League. The principles of the Catholic body are those of the Christian Socialist school.

Naturally the secession of these Catholic societies was a grave blow to the National League, which thereby lost its pride of place as the sole centre of the Co-operative movement in Italy and, moreover, found itself faced by a strong competitor in every quarter of a field in which it had previously reigned supreme. Societies and organisations were duplicated everywhere and Co-operators found themselves grouped in hostile parties. The fratricidal struggle had begun.

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The Catholic Co-operative movement naturally made most rapid growth in the regions where the influence of the Church was most potent—and especially, therefore, in the South.

The following figures show, in the first column (taken from the 1923 issue of the "International Labour Directory"), the extent to which the Confederazione Cooperativa Italiana had grown in 1921 and, in the second column, the extent to which, in 1923, that growth had been maintained in the face of the competition of a still more redoubtable rival—the Fascist Co-operative organisation.

	1921.	1923.
No. of societies affiliated . . .	8,320	..
Fishermen's Co-operative societies	40	40
National federation of Consumers' Co-operative societies . . .	2,940 societies	3200 societies
Members . . .	180,000	..
Turn-over . . . Lire	750,000,000	..
Co-operative Credit Union . . .	53 societies	55 societies
National federation of Agricultural Associations . . .	1,112 „	800 „
National Union of Co-operative Societies for Production and Labour . . .	984 „	694 „
Members . . .	49,360	..
Turn-over . . . Lire	138,000,000	...
Ex-service men's Co-operative societies . . .	6,750 societies	525 societies

§ 4. POST-ARMISTICE PROBLEMS

The attempt to solve the grave problems which arose after the Armistice led to the rise of another competitor in the economic sphere of the Lega Nazionale. It was seen to be in the interests, not only of the demobilised soldiers themselves but also in those of the country, to settle as many as possible of them on the land and so to increase the supply of home-grown food. For this purpose the Opera Nazionale dei Combattenti (National

Soldiers' Aid Society) was set up by the State in 1919. The Society was started with a capital of 300 million lire, and about 50,000 hectares of land are now being administered by it. This society has been given legal powers to demand the assignment to itself, on payment of ground-rent, of any land belonging to public bodies and charitable institutions. "The Crown has made large grants of land to the society; most of its land, however, consists of private estates acquired by free sale or expropriated 'when considerable improvements in agriculture appear possible'. The chief task of the society is to carry out improvements (roads, irrigation and drainage, rural housing, etc.) which will increase the value of the estate and then to hand it over—as stated in its rules—preferably to agricultural Co-operative societies consisting mainly of ex-service men" (Ruini).

Not all the ex-service men, however, were able to benefit by this scheme and many, impatient of the delays of bureaucracy, began to take the law into their own hands and to seize land for themselves. This practice rapidly spread and was adopted by discharged soldiers of all parties. In Italy, as elsewhere, promises of "the land for the workers" had been broadcast. A period of upheaval lasted from 1919 to 1921 in an intense form, and it was only on the advent of a Fascist Government that conditions became settled. During this period and as a result, largely of the promises made by the Government in its hour of peril, raids on land became common. Signor Ruini has described how the peasants marched to the seizure of estates, carrying at their head, according as they were Socialists, Catholic or Nationalist in political faith, the red flag, the images of saints or the national tricolour. The Government was absolutely powerless in the face of this widespread movement and assumed an attitude of "benevolent impotence", limiting its efforts to directing the movement as far as it could into peaceful channels. Legislation was hastily passed to legalise,

under certain conditions, the expropriation of the landlords and encouragement was given to the formation of ex-soldiers' Co-operative societies for the exploitation of large estates. In this connection, it is necessary to distinguish three different types of estates.

(a) *Old Collective Property*, dating from the middle ages, consisting of public demesnes and private property on which the population had certain rights of sowing, pasturage, firewood, etc. The existence of these properties, remains of the feudal economy, has for centuries presented a problem to Italian legislators. A policy of Enclosures was followed (giving rise to much disaffection and even violence) up to 1897, when it was finally realised that this was a derogation of the rights of the whole community and was not even justified on economic grounds since the new private owners were as wasteful of the natural resources of the soil as their communal predecessors. In that year a new policy was adopted, in virtue of which these common lands were henceforth to be entrusted to Land Unions (*Università Agrarie*) and Co-operative societies. Rights of compulsory purchase were given to these bodies and, in the words of M. Ruini, "taking advantage of recent decrees, the Land Unions, without wasting more time in interminable disputes and litigation with the great landowners and without recourse to violence, which is so often fruitless, have endeavoured to buy their land". Under the decrees advances up to the total value of the land are made; the State guarantees the loan, and pays up to two per cent of the amortisation charges and interest until the loan is redeemed.

(b) The second class of estates invaded by the peasant ex-soldiers includes lands owned by the State, the Provinces, the Communes and by charitable institutions and religious bodies as the results of endowment. Even before the war there were insistent demands that these estates should be devoted to common use. "Here, too, hundreds of thousands of hectares are involved; the land

is well cultivated and has in the past been leased by these bodies to private individuals. A decree, however, has recently been issued to encourage concession of this land to Co-operative societies of agricultural workers by private treaty, thus avoiding the speculation of the open market." In this way did the Government try to regularise the seizures which it had been powerless to prevent.

(c) Finally, much private property was also invaded by the ex-soldiers and here again the Government sought to regularise the position by issuing decrees, legalising the compulsory transfer of land to Peasant Co-operative societies and similar bodies, "provided the land was capable of improvement and the peasants in a position to guarantee satisfactory management".

In taking the steps outlined above the Italian Government was doubtless influenced by the great need for increasing the production of food supplies, but in this direction the success of the scheme seems at least to be doubtful. It must be carefully remembered that we are speaking of those "mushroom growths" which sprang into existence in vast numbers as a result of the abnormal conditions created by the War and the Armistice, and clear distinction must be made between these societies and the older and more stable bodies of which we speak elsewhere. Bearing in mind this important distinction, it is interesting to quote Signor Aillaud:

"Except in a small number of cases, the Agricultural Co-operative societies which have multiplied during recent years, especially in Latium, Southern Italy and Sicily, with a view to profiting by the legislation regarding the occupation of land, have all given proof of defects due to lack of preparation, improvisation, the absence of administrative and technical capacity and foresight. They have thought only of the present and not of the future. They have not hesitated, in certain cases, to sacrifice the culture suitable to the nature of the land or to sow corn

on the greatest possible surface, flattering themselves that they were thus turning to the greatest value land which, through selfishness or carelessness, the proprietors of the large estates had left practically in a state of abandonment. But afterwards, when poor crops of corn from land which was unsuitable or exhausted by bad methods of cultivation demonstrated, even to the least competent, the extremely high cost of production, the Co-operative societies limited themselves to the cultivation of the most productive areas, leaving the remainder in pasturage or else they completely abandoned the growth of cereals, that is to say, they did in their turn what the former landlords had done, sometimes even much less, and cultivation reverted to a stage which had already been passed. Certainly, if we wish to take an objective view, we must recognise that these grave errors are not without their excuses. The first and chief excuse which the Co-operative societies may claim is the state of mind which reigned throughout Italy during the period immediately following the War. The whole country was passing through a nervous crisis, characterised by illusions, megalomania, disequilibrium, a crisis accompanied by errors in perspective, bad legislation, confused and cumbrous regulations, a crisis which entailed as its consequences the destruction of wealth, excessive and disordered consumption, abandonment of saving. The character of this crisis was reflected in the whole national economy, and it was not peculiar to the Co-operative societies, but common to all undertakings at this period of Italian life. But the Co-operative societies can also advance a further excuse, no less valid, namely, the disproportion between supply and demand, the essential needs of poor workers whose actions were impelled by their instinct of self-preservation, and who had been fascinated by the Utopia which men who were either unscrupulous or were themselves deluded, caused to shine before their eyes."

§ 5. EX-SOLDIERS' CO-OPERATIVE SOCIETIES

Many of the demobilised soldiers, naturally, had no desire to take up an agricultural life, and so started Co-operative societies for the carrying on of many trades and industries. These, too, were largely helped by grants and credits from the Opera Nazionale dei Combattenti (National Soldiers' Aid Society), but as the Istituto Nazionale di Credito per la Cooperazione (State Bank for Co-operation) was still in the hands of Socialist administrators, the ex-service men's Co-operative societies received little help from that quarter. A great deal of dissatisfaction thus arose, and added fuel to the fires of hostility which were rapidly blazing up between the members of different parties. When the writer was at Genoa during the summer of 1923, the offices of the Ex-Soldiers' Co-operative Federation were still a centre of enormous activity, and these societies have carried out vast quantities of work of all descriptions—but especially in the engineering trades.

Competition between these young Co-operative societies and the older ones already in the field soon became intense, and led to no little bitterness. At a great National Convention of Ex-Soldiers' Co-operative societies held at Genoa in December 1922, delegate after delegate complained of the bitter hostility and active opposition of the Socialist Co-operative bodies and also of the local Camere di Lavoro (Local Trades Councils). This Convention laid down the following principles for the guidance of their own members: "Co-operators must not expect help from the sky or from the State or other authorities, but must depend, for their development, on their own savings, strength and honesty. It is their duty to take up the work most needed in their own particular neighbourhood. Co-operation should be the product not of religious or political beliefs or of class struggles, but should be regarded as a means of education and elevation

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and as the most just technical organisation of production and consumption. It should be under the guidance of the best technicians, not of political lawyers or destructive and ignorant agitators. Spurious Co-operative societies should be ruthlessly exterminated."

The growth of the Ex-Soldiers' Co-operative organisation and its recent decline is illustrated by the following figures supplied at the time of the International Co-operative Exhibition at Ghent in the summer of 1924:

Year.	Labour and Productive Societies.	Consumers' Societies.	Agricultural Societies.
1920	401	679	85
1921	572	464	112
1922	585	487	130
1923	166	92	52

It seemed at one time that the ex-soldiers' societies would inevitably amalgamate with the Fascist societies. This, however, has not been the case, and the organisation has retained its full autonomy. The effect of the development of the Fascist organisation is, nevertheless, very evident in the great reduction that has taken place in the number of ex-soldiers' societies of every category. Recent events in the political world seem to indicate that, in place of a *rapprochement* between the Fascist and ex-soldiers' organisations, there is indeed an open antagonism.

In 1923 the 166 Labour and Productive societies had a total capital of 2,460,731 lire, and executed work to the value of 47,637,959 lire. The capital of the 92 Consumers' societies amounted to 2,576,627 lire, and their sales to 14,645,882 lire. The 52 Agricultural societies were farming 13,434 hectares of land (about 33,500 acres), and had a capital of 1,745,698 lire.

§ 6. FASCISM AND CO-OPERATION

The bitter strife which has characterised Italian life in recent years was not, of course, confined to the world of Co-operation, but spread in every direction until national life was brought to a standstill. All who have any knowledge of Italy during the last few years will know, and deplore, the sorry story of attack and counter-attack, violence and reprisal, murder and vendetta which made the first years of the peace in Italy more dreadful than those of the War. It is not our duty here and now to attempt to apportion responsibility. The writer was in Milan at the time when men of both opposing factions were shot or beaten to death in the streets and public squares, and he is not likely soon to forget the state of quasi-civil war that reigned under a Government which was absolutely impotent to restore order. This state of affairs is of importance to us now because it had a profound influence on the development of the Co-operative movement in Italy.

The Fascist movement, if we understand it aright, was not originally an anti-Socialist movement. Its aim was the unexceptionable one of putting an end to a shameful state of anarchy and of restoring the public order which is one of the most valuable attributes of civilisation. It was inevitable that many of the recruits to the new movement were unworthy of the high ideals by which its founders claimed to be inspired. Many of its disciples brought with them abundance of enthusiasm and a high sense of romance, but little restraint and experience. On the other hand, the Co-operative societies of the Lega Nazionale were by that time, as we have seen, definitely allied with the Socialist political party, and when, by the force of circumstances, the Fascisti and the Socialists were at open war, the Co-operative societies had, in many cases, to bear the brunt of the attack. They were accused, rightly or wrongly, of being the centres of

Communist and anti-Nationalist propaganda and the refuge of disloyalists and traitors. All over Italy there is to be found evidence of the savage attacks on Co-operative societies. The writer spoke with leaders who had been driven from their homes and their life-work. He heard of many who had been cruelly beaten and of some who had been killed. He saw premises which had been burnt down and others which had been despoiled. In many cases societies had, either voluntarily or under compulsion, changed their allegiance, had disowned their officials and leaders, and accepted in their stead nominees of the Fascist party. Indeed, at the headquarters of the Lega Nazionale in Milan we were told that of the 8000 societies formerly affiliated to that organisation, no more than 2000 then (August 1923) remained, and those, for the most part, were the ones whose smallness, weakness and insignificance led the Fascisti to deem them unworthy of attack. Further defections were occurring daily. The offices, which had formerly been a hive of industry and the scene of the activities of a large staff, were then almost deserted. For the moment, those who remained could do nothing but bow the head before the storm which had demolished the organisation they had built up during half a century of patient effort, and wait in powerless despair for what the future might bring forth, whether of good or evil. Once the Fascist party was firmly installed in power, the Istituto Nazionale di Credito per le Cooperative (State Bank for Co-operation) was reorganised and placed under the direction of the Avvocato Teruzzi.

The Fascist party soon set about creating a Co-operative organisation of its own. As we have already seen, they had taken over many of the older societies and recast their direction. They also created new societies all over the country. Soon after assuming power Signor Mussolini made (13th November 1922) the following declaration of his attitude towards Co-operation: "Co-operation, when it is not confused and turned from its

economic function by political influences and speculation, and when its action is organic, constitutes a powerful force with a disciplinary effect on markets. In the field of Labour, too, it is a fertile school of responsibility for the labouring masses. Co-operation must not be considered as an organisation contrary to the principle of freedom, understood in the sense of the free play of commercial and industrial activity, but as a practical means of combating all forms of monopoly harmful to the consumer by the sincere application of the fundamental principle of free competition. I can, therefore, only affirm my complete sympathy for those forms of Co-operation which, realising this high social mission, raising themselves above all class-passions and political and religious strife, act as defensive weapons against all the excesses of speculation for the public welfare. Co-operation is an element of high social value, and as such can demand from the State, not financial privileges, but moral support and those defences which are assured by its functioning in an atmosphere of liberty."

The ideals, then, with which the Fascist party set out, as it did, to reconstruct Italian Co-operation were: (1) Co-operation is a purely economic movement and should be absolutely dissociated from all party and political or religious bias; (2) Co-operation should be financially self-supporting and should not look to State funds for assistance. Undoubtedly this was the reaction from the two greatest sources of abuse from which the Co-operative movement in Italy had increasingly suffered, viz. (1) the carrying of religious and political quarrels into the Co-operative organisation, and (2) the constant recourse to State funds which had encouraged the growth of unhealthy societies and kept in life many unsound organisations.

The *Sindacato Italiano delle Cooperative* was founded early in 1921 as the headquarters of the Fascist Co-operative movement. Its growth was rapid and on the 17th

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June 1923 it held its first National Convention at its offices in Milan. On that occasion the President, Ing. Gaetano Postiglione, reported that the delegates present represented 1341 societies, with a total membership of 300,000, a paid-up capital of 25 million lire and a turn-over for 1922 of 350 million lire. At the same time he announced the adhesion to the Fascist organisation of the Consorzio delle Cooperative Carniche (a very important body doing extensive work of reconstruction in the devastated regions) and also of the enormous organisation of the Consorzio Operai Metallurgico (the great Co-operative society engaged in the Iron and Steel industries) which was at that moment said to be on the verge of collapse.

At the meeting of the Grand Fascist Council held in July 1923 the following figures were announced:

Affiliated societies	.	.	.	.	1,846
Members	.	.	.	.	348,270
Capital	.	.	.	.	42,750,000 lire
Turn-over	.	.	.	.	650 million lire
Federations constituted	.	.	.	.	43
Federations being organised	.	.	.	.	20

In its most recently published figures the Fascist organisation claims that its growth has been as follows:

	1921. Jan.-June.	1921. June-Dec.	1922. Jan.-June.	1922. June-Dec.	1923. Jan.-June.	1923. June-Dec.	1924. Jan.-June.
Consumers' societies	35	50	90	220	380	530	740
Agricultural societies	25	35	85	115	240	380	430
Labour societies	60	65	125	380	590	940	1400
	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.	Lire.
Total capital	3,435,000	8,325,000	15,654,000	22,834,000	36,430,000	42,750,000	60,450,000
Total turn-over	50 million	120 m.	270 m.	350 m.	650 m.	710 m.	840 m.

A few yards from the headquarters of the Sindacato Italiano delle Cooperative in Milan is the enormous new building of the Banca Commerciale in the Piazza della

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Scala which is being constructed entirely by Fascist Co-operative societies.

The internal organisation of the Fascist Co-operative movement follows closely that of the older groups. Indeed, it is almost bound to do so as such matters are regulated rather closely by a complicated section of the Commercial Code. As, however, several of the provisions of this Code do not meet with the desires of the new organisation, reform is at present being urged in this direction also.

§ 7. THE FASCIST ORGANISATION

Each society joining the (Fascist) Sindacato is required to pay an entrance fee of 50 lire and also an annual subscription in respect of each of its own members. The Fascist Federation, like its forerunners, has set up services of inspection and accountancy and also furnishes legal aid and credit facilities to its associated societies. It has organised a number of Provincial Federations on the same model as those of other parties and, as we have seen, arranges National Congresses. Its official organ is the *Lavoro Cooperativo*.

The most important provincial Federation of the new organisation is that of Genoa which held its first Congress in July 1923. The attitude of the founders of the Fascist Co-operative movement is well illustrated from the opening passage of the address given by the Fascist Fiduciary, Sig. Colombo:

"When the Sindacato Italiano delle Cooperative entered upon its labours for the regeneration of the Co-operative movement in Italy its ideal was the constitution of a group of societies of purely Fascist complexion so as to put an end to that travesty of Co-operative ideals due to the leading of the exponents of subversive tendencies, a travesty whose outright bestiality and bad faith we realise when we remember that the notorious Lega

Nazionale delle Cooperative, which is now comparable but to an empty sack and whose funeral dirge we shall soon be singing, wished it to be believed that the Co-operative movement is based on the class struggle and is revolutionary in form. And it was, indeed, for them nothing more than a means of political and not economic struggle, so much so that an old Socialist organiser, now dead but well known in the region of Genoa, Pietro Chiesa, declared that the preachings of the extremist organisers often turned against Co-operation because the worker, having grown accustomed to being told that he must work as little as possible so as to avoid contributing to the wealth of bourgeois capitalists, entered with this mentality into the Co-operative societies and consequently did them much harm. . . .

"But to-day, after the march of the Black Army under the leadership of the man whom every Italian must with all his conscience proclaim the Saviour of Italy, to-day after Fascism has taken up the reins of government of our country . . . the *Sindacato Italiano delle Cooperative* ought to be and means to be the national organisation. . . . Co-operation is a tree whose roots ought to be will and sacrifice. If this tree has any sickly branches which by withering might injure its fruitful life, then these branches must be cut off without pity whatever be the cause of their unhealthy condition—political, economic or technical. . . .

"The happenings of recent months assure us that the Government of H.E. Mussolini, and still more He Himself, the *Duce*, looks with sympathy on the development of our economic movement. The steps taken by the Prime Minister to restore to health great Co-operative undertakings which were languishing whether through the fault of the men who were directing them or whether as a result of the crisis which is weighing heavily on every branch of industrial and commercial activity, the appointment of our worthy friend Terruzzi as General Manager

of the Istituto di Credito per la Cooperazione (State Bank for Co-operation) are to us guarantees that the efforts which we are putting forth are well understood and appreciated by the man who, with sure hand, is guiding the destinies of the nation."

No one who has followed the development of Fascismo will deny that its supporters have been very active indeed in their self-appointed task of cutting off branches which they declared to be withered and a danger to the economic health of the nation. Their energy in this direction is testified to by a chain of charred buildings and ruined societies in all parts of Italy. There are not wanting those who will affirm that the "languishing" state of many of the great Co-operative organisations which the Fascist body took over to "restore" and reorganise was the direct result of Fascist activity. The "men who were directing them", to whom the speaker we have quoted was referring were, in many cases, men who had given their whole life to their society and who had built it up from its earliest days. Such men were driven away, sometimes they were beaten and in some cases they were killed. Their places were then taken by new directors appointed from the Fascist ranks. It cannot be denied that the Co-operative side of Fascism has this in common with the whole movement that it was founded on force, built up on force and continues to exist on force. While we were in Milan a high official of the Fascist Co-operative movement conducted us over the huge new building which the Fascist Co-operative society is erecting for the Banca Commerciale. We asked whether the contract had been secured by open competition and were told that the Bank would not have dared to give the contract to any one else and that, even if they had done so, the Fascist organisation would have prevented any other body from carrying on the work and would soon have had it in its own hands.

In August 1923 the Fascist organisation was repre-

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sented in Genoa by 24 Co-operative societies and 13 societies and 2 local federations in the remainder of the province. Many of these were weak in numbers and almost devoid of funds. We give some statistics regarding these in the Port of Genoa and have converted their capital into pounds sterling at the rate of exchange prevailing at the time of our visit:

Society.	Founded.	Members.	Capital, £ Sterling.	
			Authorised.	Paid up.
Builders and allied trades . . .	1919	29	£ 46	£ 46
Wounded soldiers . . .	1923	14	7 : 10	7 : 10
Metallurgical workers . . .	1920	400	20,000	360
General porters . . .	1920	70	70	39
Builders and cement-workers	1922	10	5	nil
Metal-workers "St. George"	1922	40	40	40
Painters and varnishers . . .	1922	9	4 : 10	nil
Carpenters and woodworkers	1922	10	5	5
General hauliers . . .	1923	13	13	7
Paviors . . .	1923	12	12	6
Electricians . . .	1922	10	90	40
Porters and night-watchmen	1920	24	24	8
Porters, "A. Doria" . . .	1922	98	980	980
Checkweighers . . .	1919	45	1,001	1,001
Porters, "Molo Vecchio" . . .	1922	296	4,440	4,440
Packers . . .	1920	85	170	154
Checkers and weighers . . .	1911	120	670	670
Timber-porters . . .	1922	49	882	882
Grain-porters . . .	1921	40	800	379
Porters "St. Limbania" . . .	1919	55	110	110
Cotton weighers and checkers	1911	25	30	27
Porters F.F.S.S. . . .	1923	125	187 : 10	62 : 10
Carenanti . . .	1902	82	820	820
C. Colombo . . .	1879	110	505	500

CHAPTER VI

CO-OPERATION AND EDUCATION

THE leaders of Italian Co-operation have always appreciated the fact that their movement is something far greater than a mere commercial undertaking, that their duties as Co-operators extend far beyond the mere making, buying and selling of useful products. They have always realised that without its soul their movement would be a cold and lifeless thing, and that its soul depends upon the education in true Co-operative principles of all their members. In Milan the Co-operative movement has always been closely associated with every aspect of the workers' movement—the People's Theatre, the Popular Libraries, the Popular University, the varied activities of the great Social Centre known as the "Umanitaria" Society. It is not surprising then to find that the Milanese Federation of Co-operative societies has given birth to one of the most interesting and successful educational experiments it has ever been our privilege to observe. This work, known appropriately under the name of the "Gioiosa", is described in some detail below.

What we have just said is true not only of Milan but, in varying degree, of every centre where Co-operation has become a great force. Considerations of space alone compel us to limit our description to that of this—the greatest—manifestation of the power of the movement to leaven the masses with true culture and to brighten

what would otherwise be the almost unrelieved greyness of their lives. We shall then conclude this section with some account of a new and promising enterprise which will certainly have a great and beneficial effect upon the training of the Co-operative leaders of the future in Italy—the recently founded University of Co-operation.

§ 1. THE “GIOIOSA”

“A centre of free studies and recreation for the children of Co-operators”

This remarkable enterprise in the sphere of Education (in the best and fullest sense of that word) was initiated in the year 1919 by the Milan Federation of Co-operative societies, one of the most successful regional federations in Italy. The directors of the Federation decided, in their own words, “to dedicate a portion of the hard-won savings of the Milan Co-operators to the creation of an Institute which should provide for the sons of the Milanese workers opportunities for weekly rest and pleasure and a stimulus for the development of their personalities in the direction of the best ends, both as individuals and as members of a social class”.

Although the country in the immediate neighbourhood of Milan is unpromising, the originators of this scheme were fortunate in securing at a favourable price a magnificent country mansion with considerable grounds at Cormanno, only twelve kilometres from the city and on the inter-provincial tramway line. A very little adaptation was necessary to make this estate ideal for the purpose in view. Stables and outhouses were all easily included in the scheme of reorganisation, and soon a devoted staff of voluntary helpers was ready to welcome the first parties of children who were thus to escape, at least for one whole day each week, from the unhealthy and overcrowded quarters of the great city where their

Sundays would normally be spent in playing about the streets and court-yards, or in the poisonous atmosphere of the cheaper cafés and cinematographs.

A special service of electric cars leaving Milan at nine o'clock every Sunday morning conveys some hundreds of happy children through the suburbs and across the open fields to deposit them, half an hour later, at the great gates of what must seem to them to be little short of a realisation of their dreams of paradise.

The average attendance each Sunday is between 300 and 400 boys and girls ranging from 8 to 14 years of age. The only qualification required for admission is that they must be the children of Co-operators. On entry each child is supplied with a card on which attendances are marked, and is assigned to one of the ten "squads" into which the whole membership is divided. For disciplinary purposes and the maintenance of order each squad is under the control of an adult supervisor assisted by some of the senior children. Certain regulations are, of course, inevitable, but the first thing that strikes the visitor is the spirit of true freedom which pervades the whole organisation. This is well illustrated by the following translation of the complete code of rules issued to each child and signed by its parent or guardian.

1. The "Gioiosa" maintains an attitude of absolute independence with regard to all religious and political manifestations.
2. To enjoy the advantages of the institution it is necessary to attend regularly and to behave correctly while there.
3. Members must always wear the badge and have with them their admission card, on which attendances will be marked by a date-stamp. Savings-stamps for excursions or other collective festivities may also be attached to this card.
4. Parents are expected to give written explanations of any absences of their children.
5. After four consecutive absences without explanation, the member will be struck off the register. Similar action will be taken in the case of members absent five or more times, even if not consecutive, without explanation, in the course of any two months.

Parents will be advised of such expulsions, and may personally request the re-admission of their children.

6. The maintenance and preservation of tools, utensils, plants, books, etc., are entrusted to the good behaviour of members in whose care and responsibility they are placed.

7. For reasons of hygiene and safety, members will refrain from spitting and from carrying sticks, glass vessels or any other object which may, even unintentionally, be a cause of offence or annoyance to others.

8. As it is the object of the "Gioiosa" to further a healthy and hygienic life, smoking and the drinking of wine and liquors are not permitted either within the house and grounds or on the tramcar.

9. Parents of members are allowed to visit the "Gioiosa", but, in order not to interfere with its regular working, they must conform to such rules as may be made by the management.

The staff numbers about thirty in all and is drawn principally from the ranks of elementary school teachers, for these are by training and inclination the most suitable adults for guiding the class of children from which the majority of the members are drawn. All regard themselves rather as guides than as teachers and all are animated by the ideal of liberty. In his report for the year 1921-22 the new Director, Signor Aurelio Molinari, says: "From the point of view of discipline—after the departure, by common consent rather than by force of compulsion, of a few of the elder youths who were rather reluctant to adapt themselves to the rules laid down—the institution functioned without the slightest difficulty, and the children themselves not only did not feel the burden of any discipline but were delighted to find themselves in well-ordered surroundings where justice and courtesy governed all the relationships between children and children and between them and adults." Explaining the rather high proportion of adults to children, Signor Molinari says: "To guide and watch hundreds of children, of both sexes and of various ages, spread over so large an area and *with the checks of individual liberty reduced to the absolute minimum*, a sufficient staff is

essential. With a rigid time-table and with fixed and uniform occupations, few assistants would suffice, but we should fail to realise our ideal of *educating the children up to liberty and with liberty*. In order that the staff may keep themselves abreast of the latest ideas in education a small library has been started for them."

As soon as possible after admission to membership each child is medically examined, and the "Gioiosa" is fortunate in being able to profit by the professional services of a physician and dentist, who attend each Sunday without thought of pecuniary remuneration. Their reports, if we had space to translate them, would be found to be highly instructive, but we can here do no more than reproduce the following words of the director: "Education, as understood by the founders and directors of the 'Gioiosa', is a harmonious and indivisible whole. We do not desire to educate separately the body, the mind, the heart, the æsthetic taste; we wish to help forward the numerous efforts that the boy puts forth, even unconsciously, to become a man, a civilised man, in the fullest sense of the word.

"Physical education, together with that on the moral and æsthetic side, should be pursued, above all, in the open-air life, in surroundings that are healthy and hygienic from every point of view, with a plentiful supply of the best and purest drinking-water, with a simple but healthy and nutritious hot meal, with medical and dental attention, with the most scrupulous cleanliness of the whole surroundings. The means employed for such an education are free games in the open air, physical exercises in squads and with apparatus, singing and excursions into the mountains." There is a generous equipment of baths and showers, which the youngsters much appreciate, but their especial delight on hot summer afternoons such as that on which we visited the institution was the canal to which access is obtained by a gate in the park behind the house, and where they are able to splash

about to their hearts' content and even, if they are not too big (for the water is only a few feet deep), to swim.

The morning is devoted to classes, games and exercises—all under competent instructors—and there is absolute freedom of choice for the entrants. Usually they voluntarily seek the guidance of their squad-instructor in making their choice of activities, but there is an entire absence of compulsion. Special courses are given, to those who choose to attend them, in the following subjects: drawing, metal-work, wood-work, tailoring, lace-making, cookery and domestic economy, gardening, experimental science. Each course normally lasts about ten weeks, and is attended by from ten to thirty pupils. The appropriate workshops and laboratories are well but simply fitted, and the work done there and in the art-room was of surprisingly high level—the result, no doubt, in part, of the work being that for which the pupils had a natural inclination.

An unpretentious but ample meal is served to all at mid-day in the large dining-hall, capable of accommodating at one time as many as 500 children and staff. The principal dish is always a good soup or broth, containing plenty of vegetables or rice, and this is followed by one or more of the following: chocolate, egg, cheese, fruit or jam. In the simple but pleasing service of this frugal but nourishing meal the "Gioiosa" is, by example, performing an educational function as important as that underlying any other of its varied activities.

Care is taken to see that the children do not hurry over their meal, and that they behave well at table, and afterwards they scatter, as individual taste directs them, to games, concerts or cinema, orchestra or class. There are a splendidly equipped open-air gymnasium, a skating-rink, a football pitch, see-saws, swings, tennis-court and a tower from the top of which a telescope brings the majesty of the distant Alps quite near. There are classes

in the resuscitation of the drowned, first-aid, surveying, etc. An especially popular class is that connected with the Fire Brigade. The use of the appliances is studied, escapes are effected by means of ladders, chutes, etc., and from time to time exciting demonstrations of rescues are given.

Two or three times during the year the "Gioiosa" organises a whole-day excursion, usually to the Lakes. From 300 to 400 usually attend and, by taking advantage of special railway and boat facilities at reduced rates, the cost generally works out at about 10 to 15 lire per head. The children themselves, through their chosen representatives and committee, undertake the collection of subscriptions for these excursions—at the rate often of half a lira a week. Each member is supplied with a large-scale map of the journey and with notes concerning the places of interest visited. It is easy to imagine what a wonderful event such a day is to the little dwellers in some of the Milanese slums.

A reading-room has lately been started, and is very popular. One of the staff is in charge to ensure that silence is observed, and to give any guidance or explanations that may be desired. Occasionally, too, he will read aloud any passage that he may think of general interest.

Five o'clock brings the tramcar for the journey home, and it is with very obvious regret that these hundreds of children return across the dusty plain to the great, noisy city where they must pass a whole week before finding themselves able once again to devote themselves to the interests and games which most appeal to them—and to do so in the ideal surroundings of the magnificent park and noble mansion which their fathers, the Milanese Co-operators, have secured for them at the cost of over a million lire. (*N.B.*—When the Milanese Federation was formed just over twenty years ago, its total capital for all purposes was 1500 lire.)

§ 2. THE FREE UNIVERSITY OF AGRICULTURAL MUTUAL BENEFIT SOCIETIES AND OF CO-OPERATION

We have elsewhere expressed our belief that one day, in spite of religious and political differences which must always exist, the Co-operative movement in Italy will find its way, gropingly and painfully no doubt, to some common ground whereon it may organise itself in a manner worthy of its name and of the ideals which it expresses. Only then will it be in a position properly to consider and take action upon the problems which confront the movement as a whole, and which are common to all its branches irrespective of partisan differences. One or two hopeful indications of the adoption of this spirit have already received notice, but in this section, which is concerned with the "University of Co-operation" (as it is termed for brevity), we shall describe in outline one of the most interesting of recent developments.

Local societies and regional federations have always shown a healthy interest in the education of their members and officials, and have in many cases set up courses in administration and accountancy which have proved of great service. An extension of this idea led in 1921 to the institution of a Monthly Course at Rome for the study of Co-operation in general, and of some of its problems in particular. The course was so successful and the need for its continuation and development was so evident that a "Committee of Promoters" was formed and secured the adhesion of representatives of the following bodies: the Municipality of Rome, the National Institute for Agricultural Mutual Benefit Societies, the National Soldiers' Aid Society, the National Society for the Assistance of Orphans of Peasants killed in the War, the Ministries of Labour, Agriculture, Public Health and Education.

From the very beginning it was intended that this new organisation should as far as possible be immune

from all political agitation of the moment. The delegates of the eight bodies mentioned above were charged with the duty of choosing the representatives of the various National Co-operative organisations of different tendencies.

The first President of the Directive Council was the Hon. Luigi Luzzati, recognised by all parties as the Father and Master of the Italian Co-operative movement of to-day. The Vice-President was the Mayor of Rome.

The following regulations were drawn up:

1. All students admitted to the University must have gained the Leaving Certificate of a Secondary School, Technical School, or Normal School, or must present evidence of equivalent qualifications. The Secretaries of Workers' organisations and the employees of Co-operative societies may be admitted subject to passing an entrance examination.

2. Applications for admission must be accompanied by the following documents:

- (a) Educational Certificate.
- (b) Certificate of Birth.
- (c) Certificate of Residence.

3. Fees (including examinations) Lire 25 per year; (without examination) Lire 20 per year.

4. Attendance at lessons is compulsory. Absence for any reason whatsoever for more than eight hours per month forfeits a studentship.

5. The object of the course is the preparation of men to be capable directors and administrators of Co-operative societies, and the propagation of the principles of Agriculture, Mutual Aid and of Co-operation.

The course lasts six months—from the 15th January to 15th July, with four hours' lessons per day (except on Sundays and National holidays).

Scholarships.—Fifty scholarships of the annual value of Lire 2400 each were founded by the following bodies: 20 by the Ministry of Labour, 2 by the Ministry of Public Health (for graduates in Veterinary Science), 3 by the National Society for the Assistance of Orphans of Peasants killed in the War, 5 by the Industrial Foundation for

War Orphans, 20 by the National Soldiers' Aid Society (for ex-soldiers). Other scholarships were offered by various municipalities and provinces, and these have subsequently been greatly increased in number.

Students.—Forty-nine students were admitted the first year, but eleven of these had to withdraw owing to irregularity in attendance. The remaining 38 completed the course. They were drawn from thirty-eight different provinces of the kingdom. At the end of the course three of these students failed to qualify for the diploma.

Examinations.—These consist of three parts: (a) A written dissertation on a subject approved by the relative professor; (b) an oral discussion on the dissertation; (c) questions on the course other than the special subject. The Board of Examinations is under the Presidency of Prof. Mario Casalini, Rector of the University, and consists of the following members: three of the teaching staff and one representative of each of the three chief national party organisations.

The theses submitted at the end of the first year reached a high average of merit. It will perhaps be of interest to mention the titles of a few of these: "The Political Side of Co-operation", "Co-operative Societies for Production and Labour", "The Aims of Co-operation", "Collective Leases", "Co-operative Societies and Credit", "Deep-Sea Fishing and Co-operation", "The School and Co-operation", "The Ethics of Co-operation", "Agricultural Co-operation in Denmark", "Italian and Japanese Legislation regarding Co-operation", "Agricultural Machinery and Co-operation", "The Social Importance of Co-operation", "Ex-Soldiers' Co-operative Societies".

Teaching Staff.—In choosing the staff the two points considered were: first, their technical eminence and, secondly, the tendency which they represented. Thus the instructors were drawn from all parties, and it is

evident from the harmonious way in which the course proceeded that this daily contact and co-ordinated effort of both students and teachers drawn from almost every political and religious party must do much to spread a spirit of tolerance and mutual understanding throughout the Italian Co-operative movement, where it has been so lamentably lacking in recent years.

Syllabus.—The course was divided into the two following groups of lessons:

- (A) 1. The History of Co-operation in general.
2. Theoretical and Practical Principles of Co-operation in general.
3. Elements of Commercial Law and Legislation regarding Co-operation.
4. Political Economy.
5. Elements of Book-keeping and Accountancy.
- (B) 1. Co-operative Organisations for Purchase and Consumption and elements of Merchandising.
2. Co-operative Organisations for Production and Labour.
3. Credit for Co-operative Societies and Agricultural Credit.
4. Agricultural Co-operative Societies.
5. Practical exercises in Book-keeping.
6. Agricultural Insurance.
7. Social Insurance abroad and in Italy, with particular reference to Agriculture.

In addition to the above courses of lessons, lectures were given from time to time on current topics related to Co-operation, and visits were paid to several organisations—both Co-operative and otherwise. A library of Co-operation has also been started for the benefit of students of the University.

We conclude with a quotation from the first Annual Report drawn up by Prof. Mario Casalini, the Rector of the University:

“In 1923 *all* the national organisations of Co-operation had their representatives on our Council. We held, from the very outset, that the University of Co-

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operation would either be the centre of Co-operative study, to which *all* Co-operators of whatsoever tendency would adhere, or else it would have no reason to exist at all. We quite understand that every party desires to prepare its own men; but, at the same time, we hold that there is a need for a *single* centre of culture for the Co-operative movement in which all may find the instruction necessary to all and common to all tendencies.

“The separate organisations may then turn to their own advantage the elements which their members will have acquired.”

CHAPTER VII

CONCLUSION

THAT the history of the Co-operative Movement in Italy contains much from which other countries may learn valuable lessons, perhaps even this rapid survey may suffice to prove. Before we leave this study, therefore, let us attempt to sum up a few of the outstanding characteristics of that movement.

The rapid development of Co-operation in Italy and its obvious social effects prove that the movement does meet a need almost universally felt by the working masses. The story we have traced supplies, at many points, confirmation of the belief that in an atmosphere of liberty and confidence the workers will be found capable of self-government, self-organisation and self-expression. It is in such an atmosphere that they will best fulfil their function as workers, and that they will most surely gain that culture, in the widest sense of the term, which is their birthright as members of a civilised state.

We have said enough of the achievements of the Co-operative Labour Societies to show that they have been and can be successful. The work they have performed has been of the highest value to the State. In countries where, as in Italy, labour is the chief raw material or where, through some failure in the industrial organisation of the country, there is a surplus of labour, the statesman would be doing less than his duty if he did not study the possibilities of encouraging a form of

association which, as we have seen, can be so fruitful of good results for the whole community. It is a melancholy truism to say that if all the money and energy which, from 1914 to 1918, were devoted to pure destruction had been instead directed to work of construction and production, the world would have been so unrecognisably changed as to have been for many "paradise enow". But it is perhaps, even now, not too late to urge that part, at least, of the vast sums expended in various forms of unemployment relief, leading only to the degeneration and demoralisation of those living in enforced idleness, would be infinitely more profitably employed in the encouragement of Co-operative Labour Societies engaged in works of national value.

Nor in a country such as ours, where agriculture is still the most important industry, can we afford to neglect the lessons that may be learned from a study of the history of Co-operative Agriculture in Italy. Conditions in the two countries, no doubt, are very different, but, at the present moment, when men of all parties are agreed that the system we have hitherto followed has led to the most unsatisfactory results, it would surely be criminal not to consider whether the Co-operative Movement did not offer us some hope of salvation. In this country, where the Consumers' Movement is so widespread and so powerful, and where it already has its own chain of productive organisations, it will probably be found that the development of agriculture may best be achieved in and through that movement.

Co-operative societies for industrial production, while, as we have seen, they are not without their examples of considerable success, do not give us grounds for such strong hope as do the other branches of the movement. It is as a function of the Consumers' Movement that productive co-operation must realise its future. To the opinions we have already quoted in support of our own we venture to add two more.

Professor Loria, perhaps the most distinguished of living Italian economists, has said: "It is evident that where a (productive) society leads a struggling, uncertain and feeble existence, it preserves its peculiar characteristics, and its organisation remains eminently democratic, but where, on the other hand, it prospers and flourishes, it degenerates fatally into the form of a capitalist enterprise. . . . Experience tells us that it is impossible that co-operative society, which has grown up on a capitalist soil, should have sufficient strength in itself to dissolve the basis which supports it" (*Economia Politica*, 1919, p. 207).

Cesare Padovani, in an article in *La Rivista della Cooperazione* for February 1923, says: "In the field of production the failure of the co-operative organisation has been clamorous in the case of industrial enterprises of great complexity and extent. . . . We must return again to experiments on a small scale."

As, in the present study, we have not attempted to discuss Co-operative Credit or the Consumers' Movement we shall say nothing of them here, but pass on to a rapid survey of the present position of Co-operation in Italy.

Appearances in Italy have, during the last few years, been extraordinarily deceptive. The average tourist and the casual observer will certainly have found the country a much pleasanter place in which to live than it was five or six years ago. Calm and order appear to be definitely established, discipline and hard work seem to reign on all hands. Strikes (at all events until a month or so ago) seem to be things of a more disturbed past. But a closer investigation would soon reveal the falseness of such impressions. The calm and order are neither genuine nor natural. They are the result, not of liberty or contentment, but of terrorism and overpowering physical force. Freedom of speech, freedom of the press, freedom of opinion do not exist. The co-operative movement,

like every other side of the national life, is completely dominated by a dictatorship which is an anachronism in modern Europe. The Fascists have "purified" the older forms of the movement—those we have chiefly described—to such an extent that they have practically ceased to exist. In their own words: "We have rightly driven away the pharisees. We have rightly suppressed the intriguers. With clear conscience we have destroyed the worm-eaten organisations wherein nested the grubs gnawing at the national economy." (Booklet prepared by the Sindacato Italiano delle Cooperative for the Ghent Exhibition, 1924.) In place of the organisation they have so thoroughly "purged" the Fascists have set up their own Sindacato. Whether this organisation is so solidly constructed on well-laid foundations as to have any durability, time alone can tell. Our own opinion is that when the Fascist party loses its political power, as sooner or later it inevitably must, then the Fascist co-operative movement will crumble and disappear. It is to be hoped that from the ruin in which the movement has been laid there may emerge a new and purer organisation which shall help Italy to achieve the great destinies we believe to lie before her.

If we had written this concluding chapter a year ago, we should probably have ended on a more cheerful note, for it then seemed that a glimmering of the full meaning of the word co-operation had been revealed to the leaders of all parties. The new University of Co-operation had started its work with the support of all sections. A national committee, on which all parties were represented, was busy preparing for a single national pavilion at the International Exhibition of Co-operation at Ghent. We visited Ghent, and found that the Italian pavilion was, indeed, one of the most imposing in the exhibition. On its classic wall were engraved these words of Mussolini: "Co-operation, well organised and directed, is capable of making a powerful contribution to the moral and

material elevation of the working-classes. It should be encouraged and perfected." But we soon found that the old quarrels were far from dead; they had merely been transported from Italy to Ghent.

More recently, what appeared to be another possibility of arriving at some form of union has met with complete failure. Under the auspices of the State Bank for Co-operation an attempt was made in December 1924 to set up the "Confederation of Italian Co-operation" which should represent all parties and all sides of the movement. Luigi Luzzatti was to be the President of this all-embracing national body. Both the Catholic and the Socialist Societies categorically refused to enter the proposed Confederation, and declined to consider any collaboration with the Fascist organisation until full civic and political liberties had been restored. It seems to have been realised that the suggested Confederation was nothing other than a veiled attempt to absorb all that remained of the original movement.

Open hostilities have since been renewed—and have included the suppression of several issues of the Socialist weekly organ, *La Cooperazione Italiana*.

The return to "normality" in Italy seems to be as far off as ever. How or when it will come we cannot prophesy. But until it does come there can be no hope for the growth and development of a healthy co-operative movement. When favourable circumstances do arise, it is to be hoped that the errors of the past will not be forgotten, and that the future leaders of the movement will be inspired by the words of Luzzatti: "Co-operation was never, and ought never to be, the monopoly of any school, of any sect, of any party, but it ought, like the light of the sun, to shine upon the heads of all miserable mortals."

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